UMJINDI
Municipality



Annual Section 46 Report
2007 / 2008

The Council of Umjindi Municipality	 *The Executive Mayor, Councillor R V Lukhele*	 *The Speaker: Councillor S M Zulu*	 *Member of the Mayoral Councillor D Ndlovu*	 *Member of Mayoral Councillor T R Manyisa*
 *Councillor M E Nsimbini*	 *Councillor M E Jacobs*	 *Councillor P C W Minnaar*	 *Councillor M J Magagula*	 *Councillor D T Chibi*
 *Councillor M P Magagula*	 *Councillor S H Zunguze*	 *Councillor N M Mabuza*	 *Councillor T G Nkambule*	 *Councillor D M J Adam*

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Chapter I	FORWARD BY THE MAYOR



The Executive Mayor,
Councillor R V Lukhele

The system of Local Government and its various institutional structures becomes clearer everyday and as such the municipal basic service delivery improves. What remains an advantage on our side is the experienced political leadership collective and that of its management component.

These two leadership components mentioned above remains the reason of our institutional success in all areas of service delivery. Over and above the capacity of these components is their coherent relationship between the political leadership collective and the management which ensured a high level of service delivery.

This Council also demonstrated huge improvement on its financial management areas resulting into receiving an unqualified audited statements for 2006/2007 and 2007/2008 respectively. We also obtained a second position in the Provincial Vuna Award Competition. In the same competition we received a recognition certificate in the progressive manner in which we implement our MIG Projects within the Municipality. Having relied on mining as a major economic growth area and its decline over the last few years necessitating the change of our economic focus and agenda.

The Municipality focuses on tourism sector for the economic growth within the region. As part of our economic development agenda, we pursued the tentative listing of the mountainland as World Heritage side and its possible declaration as a Word Heritage site. The above is to be a tourism catalyst that will bring tourist from all

over the world to visit our town. As part of our focus is the partnership with the Tourist Organisation to promote and market our tourist attractions areas through the Tourism Information Bureau Office. We are confident that with the construction of the Bulembu road which will improve the cross border infrastructure into Swaziland via the Pigs Peak border gate providing convenient infrastructure for the tourist and the tourism industry. Further the construction of the R40 road will also improve commercial activities within our area due to the convenient infrastructure it provides between Nelspruit and Barberton and beyond the two towns. The R40 as well, will improve the movement of tourists and thereby boosting the tourism industry as well. These projects will have a huge impact on local economic development and improve business interest of investors in our area.

The upgrading of these infrastructures created well-deserved employment for the people of Umjindi.

Over and above these achievements, we also had to ensure increased access to basic services benefiting informal settlements where water and refuse removal are being provided.

These past years of Local Government service delivery, has put us in a better position to internalise local municipal policies and legislation. The Municipality has indeed laid a solid foundation to build a better life for all. We are, however, aware that challenges in meeting the social needs of our people still remain in some other parts of our community such as the rural areas and farms. The strategic strides made so far, are as a result of a collective and coherent institutional management under the able leadership of the Municipal Manager. We are well aware that much still needs to be done and this committed leadership collective is to forge ahead with greater determination.

The Management and Councillors of Umjindi Municipality are to be congratulated for their commitment in bettering the lives of our people. We celebrate the second prize achieved during the Mpumalanga Vuna Awards led by the provincial Department of Local Government and Housing. The leadership collective both management and the Councillors appreciate the opportunity to serve during which time enormous experienced accumulated which will always be of benefit to our people.

R.V. LUKHELE
CHAIRPERSON OF THE MAYORAL COMMITTEE

AND EXECUTIVE MAYOR

Chapter II	FORWARD BY THE MUNICIPAL MANAGER



Municipal Manager
Ms S F Mnisi

Umjindi Municipality has continued to improve its overall performance and service delivery to its community. The Management of the Municipality has strive to strictly monitor adherence to the policies, processes and procedure of the Municipality in an effort to improve administration, performance, financial management and service delivery. This has resulted in the Municipality getting second position in the Vuna Awards and an unqualified audited financial report.

The Municipality has managed during the year under review to keep the institution financially viable and meet its obligations in the midst of scarce financial resources.

The Municipality has continued to make a difference in the lives of the people of Umjindi by responding to needs of the community in a strategic and holistic manner. The effective involvement of ward committees and the quarterly municipal Izimbizo's made it possible that the needs of the community are known to the Municipality and being addressed adequately during other municipal processes.

The Municipality has continued to nurture its caring attitude by implementing the indigent policy to assist the poorest households as well as the 6kl of water and 50kwh of electricity for all residential consumers to live a better life. The Municipality prides itself in developing an IDP document that is user-friendly, specific and implementable.

The commitment of Councillors and officials in community participation has made it possible for the municipality to achieve a successful budget consultation process, IDP & PMS Review, Property Rates Consultation process, Indigent Verification process, better relationship between the Municipality and the community at large. The administration has remained accessible to the community and is committed to better service delivery innovations. The Municipality has embarked on various Local Economic Development initiatives to alleviate poverty according to the LED Strategy.

The success of Umjindi Municipality could be widely attributed to the contribution and harmonized working relationship between the political office bearers and administration in ensuring that systems, policies and procedures are implemented adequately without any hindrance.

The unwavering support and commitment received from the Executive Mayor, Speaker, MMC's, Councillors, Senior Managers and staff is well appreciated.

Ms. S.F. MNISI
MUNICIPAL MANAGER

Chapter III	VISION AND MISSION

Mission and Vision Statement

Municipal Vision

A vibrant and economically viable preferred destination.

Municipal Mission

To create a sustainable economic environment by:

- **Marketing Umjindi both locally and internationally as an Eco-Heritage destination.**
- **Creating an enabling environment for private business to grow in.**
- **Taking an active developmental role in our cultural, economic, political and social environment.**

To enhance the quality of life, we must and will:

- **Utilize technology in delivery of services.**
- **Up-skill and equip our citizens with essential skills to participate in the economy.**

To empower our employees, we must and will:

- **Equip them with the requisite skills and knowledge to perform optimally, despite a changing environment.**

Core Values

Integrity

- **Umjindi Local Municipality commits to conducting itself in a manner that is honest, fair and responsible.**

Participatory leadership

- **We will ensure that the people of Umjindi are empowered to participate in decision-making and that all decisions taken are in the best interest of the community.**

Transparency

- **All activities of the Municipality will be conducted in a manner that is open and honest and that will not bring the Municipality in to disrepute.**

Humility

- **We believe in the principle of mutual respect and appreciate that we exist to serve our community.**

Commitment

- **We will continue in the efficient execution of our duties and remain dedicated to our community and colleagues.**

Efficiency and effectiveness

- **The Municipality commits to delivering sustainable services and responding to the needs of the community timorously.**

Chapter 1.	INTRODUCTION AND OVERVIEW

INTRODUCTION

Honourable Speaker and Councillors of Umjindi Municipality. It affords me great pleasure to present to you the annual Section 46 Report of the Umjindi Municipality in respect of 2007/2008 financial year.

The legal framework declares that each municipality must for each financial year prepare an annual report in accordance with section 46 of the Systems Act of 2000 and chapter 12 of the MFMA no. 56 of 2003. This report was compiled in adhere to the said criteria in that:

- **Municipalities provide record of its activities during the financial year.**
- **Proving record of performance against the budget of the municipality;**
- **Promote accountability to the local community for the decisions made throughout the year;**
- **The annual financial statement of the year in question;**
- **Auditors-general report in terms of section 126(3) of those financial statements, and of section 45 (b) of the Municipal Systems Act;**
- **And of Section 3 (a-k).**

The Constitution makes it a legal obligation for the people's representatives to account to the public periodically for these activities. With the implementation of the ward committee system, Umjindi Municipality has upheld a democratic and developmental local government which makes it possible to be touch with the mass base.

The municipality was amongst the first to comply with Municipal System Act and Municipal Structures Act is requirements in developing a credible IDP through the Community Base Plan and has a public participatory local governance system implemented.

We have a sound administrative system in place that is committed to fulfilling our constitutional mandate of providing quality services to the people within our jurisdiction.

It is the intention of this report to elaborate more on the latter issues focusing on 2007/2008 .The Council's performance is measured against generally-set key performance areas as defined by the National set key performance areas. A detailed synopsis of the activities, achievements and challenges of the Municipality is presented in terms of Performance Areas; namely Service Delivery and Infrastructure Development, Financial Viability and Management, Good Governance and Public Participation, Municipal Transformation and Organisational Development and Local Economic Development.

Municipal transformation, institutional development as well as good governance are also important KPA's that deepens democratic and improves service delivery for the broader community.

SUMMARY OF PRIORITY ISSUES FOR 2007/2008:

The priority issues identified by Umjindi Local Municipality in consultation with the local communities within its area of jurisdiction represent a general trend of service delivery needs in most of the wards, namely:

- **Water Infrastructure : Urban and rural areas**
- **Sanitation – Rural and new human settlements**
- **Electrification – Rural and new human settlements**
- **Roads & Storm water : Maintenance problems and need for new roads / storm water drainage**
- **Waste Management**
- **Public Transport**
- **Housing**
- **Local Economic Development**
- **Tourism Development**
- **Safety and Security**
- **Health & Welfare in urban and rural areas**
- **Sport & Recreation**
- **Cemeteries**
- **Township establishment and Land Reform**
- **Sustainable Environmental Development**
- **Information and Communication Technology**
- **Telecommunication**
- **Provision of a Taxi Rank**

The Municipality has continued to improve on service delivery and internal systems, policies and procedures. The introduction of the Supply Chain Regulations and policy has not happened without teething problems, but with constant monitoring and capacity building, the procurement of goods and services has improved.

Umjindi Municipality continues to strive to carry forward its developmental mandate and explore innovative options to improve service delivery, administration and management of the institution and Local Economic Development. This report reflects the achievements as well as the challenges for the year under review.

OVERVIEW OF THE MUNICIPALITY

Umjindi Local Municipality was established after the Local Government elections in December 2000. Umjindi Local Municipality includes the following areas, namely: Avoca, Barberton, Jambila, Joe's Luck, Low's Creek, Noordkaap, Bonanza Goldmine, Emjindini, Fairview Mine, Mataffin Industrial, Sheba Mine, and Verulam. ± 224 Farms are found in Umjindi Local Municipality.

The main town is Barberton which is known as the "Gem of the Lowveld", which stems from the town's rich natural and cultural heritage. It nestles in the foothills of the picturesque Makhonjwa Mountains where ancient rock formations some three to five billion years old attract scientists from all over the world.

Agriculture, forestry mining, manufacturing and tourism activities dominate the economy of Umjindi. More than half of all households in Umjindi have an annual income of less than R12 000.00 per year (R1 000.00 per month).

The region is suited to agricultural economic development due to its unique geology and associated soil types, as well as a rich bio-diversity and with an ideal climate. Of the people in the rural wards, most are employed in the agriculture sector, with mining also quite dominant. In the urban areas manufacturing is predominant. Agriculture and forestry are the sectors with the highest growth potential and contribute 30,8% to the local economy. The mining industry contributes 11.2% to the local economy, mainly from the mining and quarrying of metallic minerals; stone quarrying and clay and sand pits. Not only does Barberton have the oldest gold mine in South Africa, but also the richest in terms of grain gold per volume extracted. The trade, catering and accommodation sector each contribute approximately 10% or more to the local economy (Source: Gaffney's Local Government in South Africa 2007/2008, p821.)

Historical and other places of interest and activities are:

African Pioneer Mining (underground tours and gold panning); Block House (1901); Lodge of St John's in the South (provincial monument); De Kaap Stock Exchange façade (first gold stock exchange in South Africa; provincial monument); The Globe Tavern (provincial monument); Lewis and Marks Building (provincial monument); Barberton Greenstone Belt (the oldest rock formations on earth); Todd House (provincial monument); Barberton Club and hitching posts; Statue of the Jock of the Bushveld; The Garden of Remembrance and Regimental Badges; Anglican Church; Heritage Walk; Fortuna Tunnel Hiking Trail, Queen Rose Hiking trail; Bulembu Road Geo Trails; Horse Riding; Microlighting, 4x4 trails, paragliding; quadbiking; birding; etc.

<u>Museums and Art Galleries</u>

Barberton Museum (geology, mining, archaeology and cultural history); Fernlea House (orientation centre of the museum); Belhaven House, (a late Victorian /early Edwardian upmarket residence); Stopforth Museum (a middle-class home of the mid 1880's); Umjindi Jewellery Project with Art Gallery and Espresso Bar.

The Municipality is subdivided in 7 wards. There are 7 Ward Councillors and 7 PR Councillors of which the majority belong to the African National Congress.

According to Statistics South Africa, the Municipality's population in the year 2001 stood at 53 743, 5.7% of the Ehlanzeni District population. Of these, 88,7% classified themselves as Black African, 8,8% as White, 1,6% as Coloureds, 1,0% as Indian or Asians. There were 25 392 women. 9.7% Of the population was younger than 5 years, 17,6% aged between 5 and 14 years, 42,0% aged between 15 and 34 years, 27,1% aged between 35 and 64 years and 3,7% aged over 65 years. The age group between the age 15 - 34 brackets, represents 42% of the population followed by 27,1% in the 35 to 64 age group. This calls for a high demand in employment, but due to retrenchments in the mining and forestry sectors, the community has experienced a negative growth rate in the local economy. The area is characterized by high poverty levels, low literacy levels and limited skills for entrepreneurship to be absorbed in the open market.

The 2001 Census figures indicate that 37,0% of persons in Umjindi are illiterate. In total 56,7% persons aged between 5 and 24 years, attended a school. 38,5% Did not attend any educational institution. It is estimated that

the unemployment rate of Umjindi in 2001 was standing at 26,3% of the persons who are economically active. A major challenge of the Municipality thus lies in bringing about economic growth, job creation, and attracting investors.
The implementation of the LED strategy still remains top on the municipality's agenda in order to halve unemployment in 2014.

The Municipality has implemented several successful capital projects using local labour including the contractors, except on highly specialized jobs where no local skills are available. A concerted effort has been made to employ women and the youth in all our capital projects. The electrification programme of the Municipality has now been implemented in rural areas as all households in the proclaimed urban areas have access to electricity. The municipality will meet the millennium target of electricity for all by 2012.

The 2001 Census figures indicated that 58,8% of households had access to flush toilets, connected to sewerage and septic tanks and 28,4% has access to pit latrines. 10,3% Households had no access to any sanitation. More funding (Grant funding) is needed to develop the necessary infrastructure to provide sanitation. In 2001, 85,9% households had access to pipe water: 32,6% in the dwelling, 28,8% inside the yard, 12% within 200m from a community stand and 12,5% further than 200m from a community stand. More funding is needed to develop infrastructure so that households have water in their dwelling. According to the 2001 Census, 69,1 households' refuse was removed by the Municipality (67,7% weekly and 1,5% less often). 26,4% Households had their own dumping sites and 4,2% had no rubbish disposal facility. Formalization of the township establishment of Sheba Siding still remains a challenge.

Chapter 2.	Council's Performance Measured against the Five (5) Key Performance Areas (KPA's)

KPA 1 : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

1.1 WATER SERVICES

- The main source of water for Umjindi Municipality is the Lomati Dam. Water is abstracted from the Lomati Dam and gravitated through the Saddleback Tunnel to the Rimers Water work where it is purified and distributed to reservoirs for storage and distribution.
 - Water is distributed to both urban and rural settlements at various levels as follows:

 · Full level of service- 8 940 households
 · RDP Standard - 4 516 households
 · Below RDP Standard - 1 794 households
 Total 15 250 households

- The level of Lomati Dam is presently at 78.2 %. The capacity is being conserved by also abstracting from the Suid Kaap River. To save water we also ensure rapid response to pipe bursts and plans are in place to implement a full time water audit section. The replacement of old pipes will increase the conservation of water. Water restrictions have been applied to reduce the excessive usage of water by consumers.





- **Quality of the water is still maintained at high standards and the number of samples taken has been increased and the samples taken to accredited laboratories and the samples meet the required standards.**

- **Delivery of water using a water-truck is on-going to rural areas. These areas have no infrastructure for running water and this exercise ensured that communities in these areas have access to basic services at least.**



Water is delivered to rural areas that have no infrastructure, by using a water truck that is contracted to the Municipality by local service provider.

- **<u>Maintenance</u>**

 Routine maintenance was carried out on reservoirs, the Lomati Dam and the Saddleback Tunnel .Old pipes and AC pipes and other unserviceable structures are being replaced, to reduce water loss.

 A team has been set up to carry out the repair work as recommended by the Department of Water Affairs and Forestry.

1.2 SANITATION

Umjindi Municipality provides sanitation to the Community as follows:

- **Urban areas are provided with water borne server to 8485 households.**
- **Rural areas are provided with ventilated improved pitlatrines (VIP) to 460 households.**

Provision of sanitation services is maintained at a high standard and quick response to all consumer complaints from formal urban areas within 24 hours of reporting.



The upgrading of the sewage treatment works has been completed.

This upgrading of the sewage treatment works will accommodate the new extensions and the expansion of the town.

The following projects were implemented:

PROJECT LIST & JOBS CREATED

IMPLEMENTATION OF PROJECTS (2007/2008):

Following is the progress on the different projects up to 31 March 2008 :

No	Project Name	Amount	No of temp jobs created		Status of project
			Female	Male	
1	Emjindini Ext 11 Water and Sewerage Reticulation (Phase 3) (MIG)	R3 329 400,00	24	15	Completed
2	Refurbishment of sunken sewer lines	R840 000,00	2	5	Completed





- **Verulam water reticulation for provision of basic water supply to the newly formalised township comprised of 931 erven including residential, institutional and business.**

- **Replacement of AC Pipes – Phase 1 has started and the entire project will be done as a multi-year project. This project will assist the municipality in the reduction of water losses and overtime resulting from the repair of burst pipes. The method used was very effective and no disturbances as we used a trenchless approach called PIPE CRACKING.**

PROJECTS ON GOING

No	Project Name	Amount	No of jobs created		Status of Project
			Female	Male	
1	Verulam Water Reticulation (Funded by EDM))	R2 112 000,00	13	20	Ongoing
2	Replacement of old AC pipes (MIG)	R4 435 791,19	9	19	Ongoing





CHALLENGES IDENTIFIED IN THE YEAR 2007/2008

- **Waste Water Treatment Works need to be upgraded especially the inlet works to include flow meters and mechanical screens.**

- **Rimers Water Purification Works need to be upgraded in order to cope with the high demand of water resulting from the provision of water to new establishment and rapid population increase. Funds have been made available in 2008/2009 budget for appointment of a service provider to prepare a technical report and business plan for upgrading of Rimers Water Works.**

- **Cholera outbreaks in rural areas put a huge demand in delivery of potable water and provision of sanitation facilities. The municipality has engaged the services of specialists and consultants to speed up the intervention to cholera epidemic.**

- **Borehole yields were a challenge to the municipality especially in Emjindini Trust and KaMadakwa, and they caused a strain in the delivery of potable water by service providers. Specialists and Geohydrologist were appointed by Civil Services Directorate to investigate and provide possible solutions to the decrease in borehole yields.**

1.3 ROADS AND STORMWATER

The conditions of our roads infrastructure have improved tremendously. The total tarred roads in Umjindi is 121km and gravel roads are 74km.

- **Maintenance of streets is taking place. About 70% of roads which were in poor state in Barberton have been resurfaced using slurry seal and the surface has improved. Potholes are being patched periodically and gravel roads maintained using outsourced plant.**

- **Resurfacing of streets took place in Barberton and Emjindini and was done departmentally at a cost of R1 200 000-00.**



- **Normal street maintenance and opening of new roads (1km tar and 29km gravel) to new extensions was also done departmentally throughout Barberton at a cost of R1 800 000,00**



- **A consultant has been appointed for the development of a stormwater masterplan for Emjindini Township and for the analysis of the run-offs in the low-laying sections of Emjindini Extension 10 phase 2 which experience flooding during rainy seasons.**

- **The stormwater master plan has been approved through consultations and some of the recommendations like cleaning of stormwater structures are being done and the acquisition of the Jet Cleaner made the exercise more practical.**

- **12 Speed humps were constructed as a traffic calming measure throughout Barberton and Emjindini.**



PROJECTS COMPLETED

No	Project Name	Amount	No of Temp. jobs created		Status of Project
			Female	Male	
1	Link Road between Emjindini Extensions 11 & 12 Phase 2 (MIG)	R2 230 000,00	10	18	Completed

CHALLENGES

- **All the road construction equipments are very old and non productive they need to be replaced. A letter has been submitted to the Department of Local Government requesting financial assistance to the value of R6 million for purchase of road maintenance equipment.**

- **A roads masterplan and a pavement management system need to be developed to improve the prioritisation and proper programming for roads maintenance.**



1.4 HOUSING AND LAND ADMINISTRATION

- **Land administration and stand allocation is on going to eligible beneficiaries after being verified. 1287 Stands were allocated.**

- **9 Vacant stands are assessed and evaluated for alienation especially extension 9 to 13.**

- **247 Deeds of Sale and 15 Transfers have been undertaken.**

- **Service Provider was appointed to develop a Housing Strategy will present the final document to all relevant stake holders by mid July 2008.**



The National Department of Housing has constructed 325 houses in Extension 12, Extension 13, and Extension 14 through the RDP and PHP programmes.

CHALLENGES AND RECOMMENDATIONS

- **Integration of the waiting lists of applications with audited version to form a valid list.**

- **The supervision of contractors by the National Department is not effective as there is a lot of poor workmanship that gets approved for payments and unconfirmed happy letter signing by beneficiaries.**

1.5 TOWN PLANNING & BUILDING CONTROL

TOWN PLANNING

- **The new developments and expansion has seen the section very busy. Town Planning issues and applications attended to and finalised are as follows:**

 - Rezoning applications 29
 - Subdivision applications 16
 - Consolidation applications. 1
 - Township Establish 2
 - Land use Rights 1
 - Application for site right of use 9
 - Development proposals 2

- **A Town Planning Consultant has been appointed to assist with Town Planning and there has been a massive improvement in addressing issues in the section.**

- **The post of the Junior Town Planner has been advertised to be filled and this will reduce the workload in the section.**

- **A Service Provider is busy with the Land Use Management System and Spatial Development Framework and the project will be completed in June 2009 presently they have just finalised the collection of spatial data.**

- **Three more Township Establishment will be started in July 2008:**

 - **Phola Park**
 - **Lindokuhle**
 - **Sheba Siding**

BUILDING CONTROL

- **Building plans are received and processed within 4 weeks, 139 received and finalised**
- **Encroachments noted are addressed 89 encroachments attended to.**
- **Completed structures have inspected and about 87 occupancy certificates issued.**
- **The section has also assisted the housing section in identifying about 187 stands showing them erven pegs.**
- **Department Local Government & Housing has requested the Building Inspector to assist with monitoring of the Contractor building the RDP/PHP houses.**
- **Building inspection is carried out in all areas where there is development.**



CHALLENGES

- **An additional building inspector is required to be assigned to RDP houses.**

Civil Services

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Basic Water	To ensure that all households in Umjindi have access to basic water at specified standards	% Households, earning less than R1100 per month, who receive free basic water provision	85	91	85% of households are receiving free basic water - Number - 11591	Improved service delivery – to majority of households	Annually				Target met in Barberton and eMjindini
Basic Water	To ensure that all households in Umjindi have access to basic water at specified standards	% of households supplied with water	85	94	85% of households to be supplied with water - Number - 14666	Improved service delivery -More households with access to water	Annually	R5 433 922	R5 772 745	R6 119 109	Target met in Barberton and eMjindini
Basic Water: Vote 180	To ensure that all households in Umjindi have access to basic water at specified standards	No of Boreholes Drilled in rural areas	8	0	Investigations to provide boreholes in rural areas	Basic level of services to the community to be improved.	Annually	R100 000	R106 000	R112 360	No need for boreholes were drilled
Basic Water: Vote 180	To ensure that all households in Umjindi have access to basic water at specified standards	No of households that receive FBW (6kl) vs No of stands with access to water (Urban Communities)	8 569	11 865	Households receiving free basic water	Basic level service met, Community now receive the 6kl	Annually	R539 150	R688 377	R729 679	All formalized sands have access to water – except ext 14
Basic Water: Vote 180	To ensure that all households in Umjindi have access to basic water at specified standards	%. of households with access to basic water (rural communities)	0.25	80	Supply water to rural communities	Improved service of water to rural communities	Annually	R100 000	R117 520	R124 571	Township establishment not finalised in Sheba Siding
Basic Water: Vote 180	To ensure that all households in Umjindi have access to basic water at specified standards	% of households with unmetered access to potable water (urban communities)	98	98	Meters installed for readings	Control measures on billing of communities.	Annually	R30 000	R38 419	R40 724	All informal settlements in urban area have access to basic water

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Roads, Stormwater: Vote 012 & 015	To ensure a well functioning stormwater network system and upgrading in accordance with the Stormwater Masterplan	% of budgeted amount spent for the upgrading of problematic stormwater systems	100	86	Study being undertaken and remedies to be implemented.	Run offs controlled to avoid flooding	Quarterly	0	R6 193 438	R4 452 000	Target not met – Identified problematic stormwater areas were attended to.
Roads, Stormwater: Vote 012 & 015	To ensure proper maintenance of all Roads and Stormwater Systems in Umjindi	% of complaints responded to and completed regarding roads maintenance (gravel roads) - within one week of receiving of complaint	70	70	All complaints responded to	Improved Service delivery when complaints are attended.	Quarterly	R1 879 501	R1 992 271	R2 111 807	70% of complaints attended to due to lack of equipment.
Roads, Stormwater: Vote 012 & 015	To ensure proper maintenance of all Roads and Stormwater Systems in Umjindi	Compilation of a stormwater masterplan	1	1	Implementation of a stormwater masterplan	Upgraded roads and stormwater infrastructure	Annually	R262 200	0	0	Stormwater masterplan approved for funding through MIG and implementation in phases
Roads, Stormwater: Vote 012 & 015	To ensure proper maintenance of all Roads and Stormwater Systems in Umjindi	Compilation of a Pavement Management Plan (PMP)	1	0	PMP to be developed during 2008/2009 financial year	Better maintenance of all Roads and Stormwater Systems	Annually	R250 000	R862 230		Road Master Plan to be developed in the 2008/2009 FY
Roads, Stormwater: Vote 012 & 015	To ensure proper maintenance of all Roads and Stormwater Systems in Umjindi	Km of roads maintained under the routine maintenance programme	80	108	More km of roads covered	Maintain quality roads	Annually	R1 879 501	R1 992 271	R2 11 807	Target met

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Roads, Stormwater: Vote 012 & 015	To ensure that all roads constructed by Provincial departments, Municipality and private developers meet the specified standards	% of formal site meetings attended where specifications are being checked	90	90	Specifications complied to guide the required standard.	Road quality maintained	Quarterly	-	-	-	All site meetings attended as planned
Roads, Stormwater: Vote 012 & 015	To ensure that all roads constructed by Provincial departments, Municipality and private developers meet the specified standards	No of ad hoc site inspections done	24	18	Ad hoc site inspections on going	Pro-activeness to defects	Quarterly	-	-	-	Ad Hoc site inspections done on Bulembu road and R40 road
Roads, Stormwater: Vote 012 & 015	To ensure timeous response to customer complaints about roads	% of complaints responded to and completed regarding roads maintenance (tarred roads - potholes) - within one week of receiving of complaint	70%	70%	More potholes are patched and surfaces improve	Road quality maintained	Quarterly	R1 200 000	R1 200 000	R1 272 000	Target met – maintenance done as planned
Roads, Stormwater: Vote 012 & 015	To ensure timeous response to customer complaints about stormwater	% of complaints responded to and completed within one week of reporting thereof	70	75	More complaints attended to	Control of run-offs community not troubled by runoffs.	Quarterly	-	-	-	Target met
Roads, Stormwater: Vote 012 & 015	To liaise with all stakeholders to ensure the upgrading and maintenance of all roads leading to Barberton	No of meetings and correspondence with regard to the upgrading/reconstruction (R38/R40)	1	2	Meetings are organised	Community information	Annually	-	-	-	Target Met
Rural Water Supply Schemes : Vote 180	To ensure the proper functioning of the RWSS	No. of maintenance done as required on RWSS	48	58	Systems maintained	Rural areas delivered water through water tankers	Annually	R500 000	R1 000 000	R1 166 000	Target met

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Rural Water Supply Schemes : Vote 180	To ensure the proper functioning of the RWSS	No. of routine inspections done of the RWSS	48	48	Systems checked	Water quality checked in rural areas	Quarterly	R100 000	R106 000	R112 360	Target met
Sewerage Vote: 052	To ensure that all households in Umjindi have access to basic sanitation at specified standards	% of households with access to basic sanitation	70	79	Provision done for proper sanitation	Health requirements	Annually	R2 401 490	R2 545 579	R2 698 314	Target met.
Sewerage: Vote 052	To ensure that all standards with regard to the purification of sewerage (DWAF) be met	% of complaints on blockages responded to and completed within 24 hrs of reporting thereof	100	95	All complaints on sewerage blockages are responded to within 24 hours	Standard of service maintained	Quarterly	R20 000	R26 798	R28 406	Target not always met due to lack of human resource
Sewerage: Vote 052	To ensure that all standards with regard to the purification of sewerage (DWAF) be met	% of tests / results that meet DWAF standards	100	90	90% of samples tested meet DWAF standards	Standard of service maintained	Quarterly	R64 212	R68 064	R72 148	WWTW is being upgraded to meet required standard – inlet works
Town Planning and Building Control: Vote 023	Identify all unoccupied stands in Umjindi	Unoccupied stands identified	10	9	More stands identified	Proper management of the land	Quarterly				Audited by Building Inspector
Town Planning and Building Control: Vote 022	Secure funding to sub-divide and alienate family units to current occupants	Obtain funding for subdivision and alienation of family units	1	1		Subdivision is completed	Annually	R200 000	R212 000	R224 720	The subdivision is completed. Funding is required for installation of services.
Town Planning and Building Control: Vote 022	The provision of adequate space for formal cemeteries	No of sites made available for formal cemeteries	1	0	Still checking spaces	Proper management of the land	Annually	-	-	-	No new site identified for cemetery
Town Planning and Building Control: Vote 022	To ensure that all new buildings meet the SABS standards	% of building plans received and approved within 4 weeks of submission	100	100	All plans approved	Compliance to Building Regulations quality building	Quarterly	R42 361	R47 994	R50 873	Building plans circulated to relevant departments for comments prior to approval

Key Performance Area: Basic Service Delivery

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Town Planning and Building Control: Vote 022	To ensure that all new buildings meet the SABS standards	% of new buildings meeting the SABS 0400 building standards	100	100	All buildings comply	Compliance to Building Regulations	Quarterly	R61 369	R61 369	R65 057	Target met – inspections done regularly
Town Planning and Building Control: Vote 022	To ensure that all uncompleted RDP and PHP houses are provided with Occupation Certificate	No of Occupation Certificates issued	50	78	More certificates issued	Compliance to Building Regulations	Annually				Occupation Certificates Issued
Town Planning and Building Control: Vote 022	To ensure that Liquor Trading is in accordance with the Umjindi Town Planning Scheme (2002)	% of places trading with liquor that are in accordance with the Umjindi Town Planning Scheme (2002)	50	100	% of places trading with liquor in compliance with the Umjindi Town Planning Scheme	Compliance of Town Planning Scheme and Business Act	Annually				All applications were done through the SAPS and the regional Court.
Town Planning and Building Control: Vote 022	To ensure that residents of Umjindi have access to proclaimed erven	No of business erven made available (All over)	10	16	Business erven availed	Full ownership of the land	Annually				Stands made available in extensions 9 to 13
Town Planning and Building Control: Vote 022	To ensure that residents of Umjindi have access to proclaimed erven	No of institutional erven made available (All over)	12	21	Institutional erven availed	Full ownership of the land	Annually				Target met. Verulam, Ext 12 & Ext 14
Town Planning and Building Control: Vote 022	To ensure that residents of Umjindi have access to proclaimed erven	No of proclaimed erven available for economic stands (Ext 12)	300	300	Proclamation on track	Full ownership of the land	Annually				Target met
Town Planning and Building Control: Vote 022	To ensure that residents of Umjindi have access to proclaimed erven	No of proclaimed erven available for middle income stands (all over)	150	107		Full ownership of the land	Annually				Stands available in erven 829, 831 & 3030. Engineering services outstanding
Town Planning and Building Control: Vote 022	To ensure that residents of Umjindi have access to proclaimed erven	No of proclaimed erven available for subsidy housing in Emj Ext 14	469	469	Erven availed	Full ownership of the land	Annually				Target met

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Town Planning and Building Control: Vote 022	To ensure that town planning applications are efficiently processed within two months	% of town planning applications or instructions completed within 2 months of submission	90	90	Instructions on-going process	Effective and proper service delivery	Quarterly	R100 000	R100 000	R106 000	Target met.
Town Planning and Building Control: Vote 022	To ensure that town planning applications are efficiently processed within two months	% of town planning applications or instructions received and processed within two weeks - start town planning process	70	90	More applications completed	Effective and proper service delivery	Quarterly	R100 000	R100 000	R106 000	Target met – Applications processed and submitted to mayoral committee monthly
Town Planning and Building Control: Vote 022	To ensure timeous and proper planning for township establishment	No of new proclaimed erven to be established in Emjindini & Barberton	450	1343	Planning phase	Full ownership of the land	Annually	R250 000	R820 000	-	Awaiting for funds and Township Establishments – Phola Park, Lindokuhle & Sheba
Town Planning and Building Control: Vote 022	To ensure timeous response to customer complaints about building control	% of physical on site building inspections related to the number of building plans approved	100	100	On track and on-going	Compliance to Building Regulations	Quarterly	-	-	-	Inspections done regularly with the assistance of an assistant building inspector
Town Planning and Building Control: Vote 022	To facilitate that households residing in sustainable rural village will have proper land tenure	Submit business plans for funding for households in rural villages to have proper land tenure	1	1	Business plans submitted	Full ownership of the land	Annually				The Business plans were submitted to DALA

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Water Network: Vote 180	To ensure a well functioning water network system	% of complaints of water responded to within 24 hrs	100	95	All complaints timeously attended	Manage water losses	Monthly	R500 000	R383 813	R500 000	Complaints are dealt with promptly, but target not always met due to lack of human resource
Water Network: Vote 180	To ensure a well functioning water network system	% of faulty water meters replaced	100	100	All faulty meters replaced	Proper water usage	Monthly	R30 000	R31 800	R33 708	Faulty water meters replaced as reported
Water Network: Vote 180	To ensure a well functioning water network system	% of flow control valves installed for Indigent Households	20	0	Still on feasibility	Access to Basic Services	Quarterly	0	0	0	None during this period
Water purification: Vote 180	To ensure that all standards with regard to the purification of water (DWAF) be met	No of water chemical samples tested per quarter	150	216	More water samples tested	Supply of quality water	Quarterly	R117 296	R124 333	R131 794	More samples were tested.
Water purification: Vote 180	To ensure that all standards with regard to the purification of water (DWAF) be met	No. of water samples bacteriological tested per month	90	96	More tests done	Supply of quality water	Monthly	R4 000	R4 240	R4 494	8 samples taken weekly
Water purification: Vote 180	To reduce purified water loss	Maintain purified water loss (sales vs purified) at National Standard of not more than 15%	60	10.42%	Minimize losses	Economical usage of purified water	Quarterly				Water loss still experienced due to old AC pipes that burst frequently, and possible abuse of unmetered communal standpipes.

1.6 ELECTRICITY

The Umjindi Municipality provides electricity services to the town and surrounding rural areas, while Eskom supplies electricity to the rural areas further from Barberton, like Low's Creek and farms. Umjindi Municipality had an Annual Electricity Budget of R31 million for the 2007/2008.

These services include the supply of electricity and the provision of area and street lighting. During 2007/2008 the electrification of houses of previously disadvantaged people, the provision of street lighting and the upgrading of the electricity supply networks have been addressed and the following projects have been completed:

<u>Electrification of houses</u>:

150 houses have been connected in Emjindini Trust and 43 in Montrose Village, at a cost of R3 468 000,00. The projects were financed jointly through Council capital budget and funding from the Integrated National Electrification Program. This project took the level of access to electricity to 92% of all households (11 935) in the municipal area of supply. The current backlog consists of informal houses build i.e. transitional camp and Verulam, which will be addressed in the ongoing program. Regular contact with and the submission of information to the Eskom electrification programme ensure that houses in the Eskom licensed area of supply are entered annually into the Eskom three year rolling electrification plan to ensure rural electrification.





Street Lighting:

Street lighting has been supplied to Main Roads i.e. Nelspruit T-Junction and the crossing at Private Hospital Street, at a cost of R350 000,00.





Upgrading of Electricity Supply Networks:

Council has a program for the upgrading of the electricity supply networks, to keep up with the growing demand, due to the electrification program and the economic growth of the town. Construction at a new 22 kV Substation started in 2007and is now 40% completed.

Secondary Network Improvement

e.g. the provision of new 11 kV networks, upgrading of old networks, upgrading of transformer capacity and the supply of services to new plots, has been completed at a total cost of R550 000,00.





Maintenance of Equipment: The maintenance of existing equipment is a key element of services delivery and a good quality of electricity supply. Council has a program for the maintenance of electrical infrastructure, and regular inspections and condition monitoring are carried out on key equipment, like transformers, switchgear and distribution lines. The results of the inspections are analyzed and maintenance action plans and programs are developed and carried out accordingly.

CAPITAL PROJECTS IMPLEMENTATION

No	Project Name	Amount	No of jobs created		Status of Project
			Female	Male	
1	Meter Audits	R127 000.00	0	8	Completed
2	Network refurbishment	R380 000.00	0	35	Completed
3	Overhead lines	R378 000.00	0	35	Completed
4	Replace Overhead lines	R260 000.00	0	35	Completed
5	Replace switchgear	R380 000.00	0	4	Completed
6	T-Junction: Phase II	R200 000.00	0	30	Completed
7	T-Junction: Emjindini III	R215 000.00	0	30	Completed
8	DME Bulk Substation	R14 079 000.00	2	23	40% Completed – Roll over project

1.7 MECHANICAL WORKSHOP

The Mechanical Workshop provides an internal service to other departments in the municipality, through the acquisition, maintenance and management of vehicles and equipment and the maintenance of water pumps and related machinery.





The acquisition of vehicles and equipment is done through an annual tender process and during 2007/2008 vehicles and equipment to the value of R600 000.00 million were purchased.

The management of the vehicles fleet and the provision of information to other departments of their usage of vehicles is one of the focus areas of the section. For this purpose a vehicle tracking system has been installed and all vehicles are monitored through the system.



1.8 SECURITY



No full established section within the Council, the services are rendered by Service Providers.

Currently guards are employed at the Municipal Workshop, Municipal's main entrance and at the Mayor's houses and High Risk areas i.e. Emjindini Ext 12.

CHALLENGES

CHALLENGES EXPERIENCED WITHIN THE DEPARTMENT IN THE 2007/2008 FINANCIAL YEAR:

- **The Electrical staff turnover within the Municipality is due to the low salary scales and non finalisation of the Municipal salary scales (SALGA and Bargaining Council) on experienced and skilled staff are moving to larger Municipalities and private sector.**
- **The integration into the new Regional Electricity Distribution (RED) in such a way to ensure the existing standard of service delivery to residents in Umjindi and also ensure the Income of the Municipality from the electricity service be maximised as Umjindi's shareholding in the RED.**
- **Council's own resources to be earmarked for maintenance of infrastructure and new extensions created through grant funding. The provision of sufficient maintenance funding, the NER also now required that at-least 5% of sales income from electricity should be budget and spend on maintenance of existing infrastructure. (Only 3,42% has been provided in the 2008/2009 Budget and 2,8% in the 2009/2010 Budget which clearly indicate the decline in this requirement in order to meet the electrical commitment within the 2008/2009 Budget.**
- **The Municipality should provide its own generation of electricity (8MVA) as reserve, especially because the ESKOM reserve of 25% is not available (wind, gas, water turbines is possibilities). These above will also assist the Municipality to limit price rates on electricity services.**
- **To minimise the cross-subsidation from the electricity service to other sections within the Municipality and to maintain electricity tariffs as low as possible to end-user.**
- **To obtain counter-funding for infrastructure provision in order to maintain the high standard of service delivery and funding for electrification projects in rural areas i.e. Verulam and Sheba. (Township establishment – need to be speeded up).**
- **To obtain counter-funding for infrastructure provision in order to maintain the high standard of service delivery and funding for electrification projects in rural areas i.e. Verulam and Sheba. (Township establishment – need to be speeded up).**

Electrical Services

Key Performance Area: Basic Service Delivery											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (07/08)**	**YR2 (08/09)**	**YR3 (09/10)**	
Electricity	Access to electricity to all households in Umjindi at specified standards	% of households having access to the 50kw Free Basic Services	100	100	Implementa-tion of the Electricity Master Plan	Improve the living conditions the community by providing electricity in line with National targets.	Annually	R3 262 000	R3 508 000	R3 807 150	11 935 Households
Electricity	Implementation of projects	Number of households with electricity FBS versus number of stands with access to electricity	90	100	Implementa-tion of the Electricity Master Plan	Improve the living conditions the community by providing electricity in line with National targets.	Annually				Target met
Electricity	Implementation of projects	% of schools with access to electricity	100	100	Meeting National Targets to provide all schools with electricity	All schools will have electricity	Annually	N/A			Target met. All schools within Umjindi do have electricity.
Electricity	Implementation of projects	% of Clinics with access to electricity	100	100	Meeting National Targets to provide all clinics with electricity	All Clinics will have electricity	Annually				Target met. All Clinics within Umjindi do have electricity.
Electricity	Implementation of projects	Number of households with FBAE at Sheba (Pilot Project)	560	411	Provision of Alternative Energy to rural areas	Betterment of living conditions in rural community	Annually	R460 000	R550 000	R600 000	Project is improving life in rural areas to continue in the next financial years
Electricity	Maintenance of electrical infrastructure	% of electrical losses (sales vs. purchases)	10	9.8	Losses are maintained within National guideline	Cost effective service to the Community.	Quarterly				Target met (Below national standards)

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Electricity	Maintenance of electrical infrastructure	Maintenance expenditure versus the maintenance budget	100	73	Limit over expenditure by the Directorate	Proper budget control and community receives good value for money	Monthly	R1 750 558	R1 855 591	R1 855 591	Target not met (Switch gear ordered but not delivered)
Electricity	Maintenance of electrical infrastructure	Number of inspections on transformers per quarter versus the total number of transformers	65	71	Improve system reliability by personnel	Prolong life time of critical equipment to be cost effective to the community	Monthly				Target met
Electricity	To ensure speedy response to all Electricity complaints received	% of individual complaints attended to	100	100	Attending to customer complaints	Ensure that all customer complaints are attended to	Quarterly				Target met
Electricity	To ensure speedy response to all Electricity complaints received	Average time spent to rectify the subject of a complaint – Electricity	15	13.75	Maintenance of other Municipal plans	Provision of service to the acceptance of customers	Quarterly				Better than target
Electricity	To ensure that all households in Umjindi has access to electricity at a specified standard	% of proclaimed stands who have access to electricity	100	100	Provision of service to proclaimed stands	Provision of service to the acceptance of customers	Annually				Target met

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Streetlights	To ensure proper functioning of streetlights	% of individual complaints attended to	100	100	Improved service delivery	Proper maintenance of streetlights to the benefit of the community.	Quarterly	R1 697 000*	R1 709 117*	R1 806 812*	Target met
Streetlights	To ensure proper functioning of streetlights	No of routine maintenance done (once a month full time) in urban areas	12	12	Improved service delivery	Proper maintenance of streetlights to the benefit of the community.	Quarterly	*Part of above	*Part of above	*Part of above	Target met
Streetlights	To ensure proper functioning of streetlights	No of routine maintenance done on high mast lights	4	4	Improved service delivery	Proper maintenance of streetlights to the benefit of the community.	Quarterly	*Part of above	*Part of above	*Part of above	Target met

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Mechanical Workshop	To ensure all municipal vehicles are well maintained	Average no of days municipal vehicles are kept at workshop for routine maintenance	5	3.5	Improve availability of vehicles	Vehicles available to render service to the community.	Quarterly	N/A			Better than target
Mechanical Workshop	To ensure the sewer and water plants are well maintained	No of preventative maintenance visits executed at municipal sites (sewerage and water purification plants)	4	4	Proper maintenance of municipal plant	Proper maintenance of municipal plant to ensure proper service delivery to the community.	Monthly	R130 000	R139 005	R147 346	Target met
Mechanical Workshop	To minimize the time that municipal vehicles spend in the workshop – to ensure maximum availability	Emergency vehicles to be repaired within 24 hours from breakdown	24	8.75	Improve availability of vehicles	Improve availability of vehicles to ensure proper service delivery to the community	Quarterly	R1 670 596	R1 770 832	R1 877 082	Better than target

1.9 CEMETERY

The amount of R100 000,00 was budgeted for during this financial year to complete the 3rd phase of the perimeter wall at eMjindini Cemetery. The contractor Buhle Buyeta Trading was appointed to build the wall and the project was completed successfully. Nine temporary jobs were created through this project.

The formalizing of rural cemeteries still needs to be undertaken in the next financial year. An average of 32 funerals takes place during a month. Assistance is rendered at the cemetery to the community to close the graves after burial and it is done with the aid of A Bobcat machine is used at the cemeteries to render assistance to the families to close the grave after burial. This is done at no cost to the family. The cemeteries are well maintained on a regular basis by cutting grass and trees are planted when a new plot is opened.



Entrance to eMjindini

1.10 SOLID WASTE MANAGEMENT

Umjindi Municipality was awarded the 2nd Runner Up prize in the Cleanest Town Competition and received the amount of R800 000,00.

Budgetary provision to the amount of R116 000.00 was made for the cleaning of Emjindini CBD on a daily basis by a private contractor.

The contractor Vulwa Sikhali was initially appointed to execute the project but due to poor performance the contractor had to be replaced in January 2008 by Mhlabane and Sons. The project had a definite impact on the appearance of the area and created employment for thirteen people.

A project to clean the CBD of Barberton during night was also implemented and three unemployed ladies were appointed. The cleaning of the area at night has such an impact that it will in future remain a priority project of the Municipality.

In an effort to combat illegal dumping and littering the Municipality has instituted fines as well as regular cleaning campaigns and the marking of problem areas with "no dumping" signs. Excessive littering mostly occurred in Emjindini Extension 11 due to the construction of the main road leading to the area. The late collection and inaccessibility of the area resulted in the increase of dumping of refuse in open spaces. Four cleaning campaigns were held during this year and in Extension 11 over 400 people participated actively in improving the state of their residential area.

The Landfill Compactor Machine has reached the end of it's lifespan as it is now older than ten years. It will be more cost effective to obtain a new vehicle as the cost involved in repairing the vehicle currently in use is R240 000,00.

Umjindi Landfill Site with staff housing on the left hand side



The amount of R200 000,00 will be set aside from the price money won in the Cleanest Town Competition for the licensing of the Landfill Site in the next financial year. Compliance of the Landfill site to the required standards also includes the building of a weighbridge at the entrance. The cost involved in meeting the legislative requirements applicable on Landfill Sites is very high and it will be difficult for the Municipality to meet all these requirements due to financial constraints.

1.11 LANDSCAPING / ENVIRONMENTAL MANAGEMENT

Dixon Tractor driven Lawn Mowers to the amount of R163 000,00 were purchased in order to maintain the parks and open spaces more effectively. The number of complaints with regard to overgrown open spaces has since decreased.



A Dixon Tractor Driven Lawn Mower



Flowerbed at an intersection

Three private companies each employing six workers were appointed to assist with the cleaning and cutting of grass on overgrown privately owned stands. The owners are requested to clean their stands and after not responding they are cleaned by contractors and the owners are then billed for the cost involved.

A greening flagship project was implemented in Emjindini Extension 12 and 2 000 (two thousand) trees were distributed amongst the residents. Residents of the area were encouraged to plant and maintain the vegetation around their homes.

The conservation of the Wetland between Emjindini Extension 10B and Extension 11 is a high priority and the Department of Environmental Affairs and the Municipality jointly develop and conserve the area. Several information sessions have been held to make the community aware of the value of wetlands and the development of a park in this area is underway.



1.12 RECREATION

A full time Sport Development Officer was appointed during this financial year and the participation of the Municipal employees in the SALGA Municipal Games has increased.

The amount of R599 000,00 which constitutes 5% of the MIG allocation received by the Municipality, was earmarked for sports infrastructure rehabilitation and development. There was a noticeable improvement in the condition of the sporting infrastructure in Umjindi.

A new play park was developed in Barberton, Ward 6 Extension 7 to the amount of R90 000,00. Six temporary jobs were created through this project. An additional amount of R 25 000 will be provided in the next financial year to finalize the project.



Newly developed Play Park: Barberton Extension 7

A consultant was appointed to assist with the securing of funds for the development of a viewing park for the 2010 Soccer World Cup. The aim is to create a facility that can also be used and enjoyed by the community beyond the 2010 event.

1.13 DISASTER MANAGEMENT

An amount of R500 00,00 was received from Ehlanzeni District Municipality to review the Disaster Management Plan and to build a store room for disaster and emergency equipment and centre in the 2008/2009 financial year.

The following items were purchased to assist during a disaster situation namely; Jaws of Life, 200 blankets and tents to an amount of R 155 000.00..

1.14 HIV AND AIDS

The appointment of the HIV/Aids Coordinator has seen the Municipality experiencing the following achievements:

- **Establishment of a Child Care Forum**
- **Establishment of a Victim Empowerment Forum**
- **Establishment of a Ward-based Committee at Sheba**
- **Regular radio slots at the local radio station BCR on topics related to HIV and Aids**
- **Facilitation of the donation of school uniforms and blankets from Ehlanzeni District Municipality for needy learners from all schools in Umjindi**
- **Participation in the HIV and Aids benchmarking programme for Municipalities**
- **Secured the allocation of three volunteer workers from abroad who assisted in the rendering of counselling services to affected and infected community members**

1.15 PUBLIC SAFETY

Traffic Section – The Traffic Officers, due to the increasing demand spend most of their time testing the public for learners and drivers licences as well as the licensing of vehicles and therefore less time is spend on law enforcement.

The income on traffic fines are not materializing as it is difficult to collect fines outside the Umjindi Municipal area. The National Department of Transport has also place a moratorium on the linking of fines to the renewal of vehicle licences.

A Scholar Patrol project was introduced at the majority of the Primary schools in Umjindi. The Scholar Patrol Wardens assist the learners at the pedestrian crossings in the mornings and afternoons. This has minimized pedestrian accidents as well as the speeding and improper parking of vehicles around the schools.

The vacancy of Traffic Officer in the Traffic Section will be converted into a training post in the next financial year.

Fire/Emergency and Rescue Services - The services were rendered well despite the fact that the Fire Engine is outdated. The Municipality does not have the financial means to replace the Fire Engine and various applications for external funding were submitted to Ehlanzeni District Municipality.

The fire breaks surrounding the town are well maintained as the town is surrounded by forestry activities.

The Licensing Section – This section has exceeded the budgeted income during this financial year although a shortage of staff was experienced.

SECTION	BUDGETED INCOME	ACTUAL	COMMENTS
Licences –Traffic Vote 11	R 1 406 849.00	R 2 635241.52	The actual income that materialized at the end of the financial year for the section was 187%.
Traffic Vote 030	R 551 387.00	R 226 677.41	The income is R324 709.59 less than the estimated income due to the difficulties

			experienced in tracing traffic violators.

CHALLENGES

CHALLENGES EXPERIENCED WITHIN THE DEPARTMENT IN THE 2007/2008 FINANCIAL YEAR:

- **The staff turn over within the Municipality is also partly due to the occurrence of HIV and Aids. The affected and infected employees are not able to use their full potential when performing duties.**
- **There is an increasing demand from the needy community within Umjindi for the Municipality to render assistance and support. The Department of Community Services assists with pauper burials as well as reduced burial fees for those than can not afford the fees in the approved tariff structure. There is also an increased involvement of the HIV/ Aids Coordinator in feeding schemes, orphan, vulnerable children and child headed household matters.**
- **During this financial year the Primary Health Care Services were rendered at a deficit due to the fact that no subsidy was paid over from the Department of Health to the Municipality.**
- **The process of transferring Primary Health Care staff from the Municipality to the Department of Health has not been finalized. This causes uncertainty and tension amongst the staff.**
- **The vacancy of Community Health Nurse in the Primary Health Care Section could not be filled due to the disparity in salary scales between the Municipality and the Department of Health. The employees in the Primary Health Care Section at the Department of Health earn 50% more.**
- **The income on traffic fines could not materialize as it is difficult to collect fines outside the Umjindi Municipal area. The National Department of Transport has also placed a moratorium on the linking of fines to the renewal of vehicle licences. A private collector should be appointed on a commission basis.**
- **The rendering of Environmental Health services is a district municipality function but due to the staff shortage experienced at Ehlanzeni District Municipality, the immediate complaints and enquiries had to be attended to by staff within the Department of Community Services.**
- **The Landfill Compactor Machine of the Refuse Removal Section needs to be replaced as the cost of repairing it amounts to R240 000,00. The Municipality does not have the financial means to purchase a new vehicle and other options will have to be investigated.**

Community Services

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Air-Strip	To ensure proper maintenance of the air strip to have safe accessibility to the users	Evaluate reports submitted on maintenance done	12	10	Cutting of grass at the Airstrip every second week in the rainy season.	Well maintained and accessible Airstrip for use by the community and visitors to Umjindi.	Monthly	R0	R0	R0	The airstrip will in future only be maintained by cutting the grass and no further development is planned. A well developed airstrip within close proximity of Barberton has recently opened up to the public.
Disaster Management Vote 004	To ensure proper facilitation of disaster management plans received from EDM	Evaluate reports submitted of the facilitation of the disaster management plans from EDM	4	3	Implementation of the Disaster Management Plans received from EDM.	Role-players in Umjindi are able and informed on how to respond to disasters according to approved procedures of EDM.	Quarterly	R0	R0	R0	R500 000 has been received from EDM to reviewed the Disaster Management Plan and to build Disaster Management Centre.
Disaster Management Vote 004	To ensure that Umjindi is able to respond to disaster and emergency situations timeously	Monitor and evaluate that Disaster Management Plans are communicated to all relevant stakeholders/ roll players	2	3	Disaster management Plan of Umjindi is communicated to all role-players and stakeholders.	Role-players and stakeholders in the Disaster Management Plan are well informed and able to contribute effectively in a disaster situation.	Twice Yearly	R65 655	R68 202	R69 294	Requests for funding has been submitted to EDM and the Department. Of Local Government and Housing.

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Cemeteries Vote 001	To ensure compliance on the formalisation of cemeteries	Compilation and submission of business plans to relevant stakeholders.	4	2	Formalization of cemeteries in he rural areas.	Proper burial facilities and procedures in the rural cemeteries.	Quarterly	R0	R0	R0	The target was not met and will be completed in the first quarter of the next financial year.
Parks and Swimming Pools Vote 018	To ensure proper maintenance / functioning of parks/ pools of the municipality.	Evaluate the reports submitted on routine maintenance done	4	4	Well maintained Parks and Swimming Pools according to a pre-determined routine plan.	Safe, clean and accessible parks and swimming pools for sue by the community of Umjindi.	Quarterly	R3 713 781	R3 965 858	R4 519 730	The maintenance of the Parks and Pools were done according to the plan.
Sports & Recreation	To ensure proper planning for sports and recreation	Evaluate reports submitted on planning done for sports and recreation facilities	4	4	Provision of various sporting facilities in Umjindi.	Promotion of sport and recreational activities by the community	Quarterly	R0	R599 000	R778 850	R599 000 has been allocated from MIG for Sports Infrastructure Development. Two contractors were appointed to undertake the renovation work.
Primary Health Care Vote 008 and 009	To ensure that Primary Health Care is rendered in line with National Standards	Evaluate reports received on different services falling under PHC	12	12	Primary Health Care clinics providing comprehensive services.	Healthy community with proper accessible health services.	Monthly	R1 961 476	R1 980 804	R2 099 652	Primary health care services are rendered in accordance with the norms and standards set by the Dept of Health.

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Social Services	To ensure that social needs are communicated to sector departments	Evaluate reports submitted to and received from the various sector departments on all social needs	4	4	Sector departments aware of the social needs of the community of Umjindi.	Social needs of the community are met by the various sector departments.	Quarterly	R0	R0	R0	A letter has been forwarded to the Department of Health and Social Services with regard to the social needs of our community.
HIV/AIDS Vote 039	To ensure the implementation of Umjindi HIV/AIDS strategy	Evaluation of reports submitted on the no of HIV/AIDS implementation programmes in accordance with the strategy	4	2	Implementation of HIV/Aids strategy of Umjindi by all relevant role-players.	Management of the HIV/Aids pandemic.	Quarterly	R0	R272 164	R288 494	Umjindi Municipality is now having a functional HIV/Aids Unit after the appointment of a full time HIV/Aids Co-ordinator.
Environmental Health Vote 014	To ensure that Environment Health services complies with the national health standards	Evaluate the reports received on environment health services	4	3	Rendered Environmental Health Services by EDM in accordance with national standards.	Clean and safe food premises and environment for the residents of Umjindi.	Quarterly	R0	R0	R0	Environmental health is a district function but no reports were received in this regard. The Asst Dir Director Cleansing attended to the immediate environmental health complaints.

Key Performance Area: Basic Service Delivery

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Provision of Municipal Facilities Vote 012	To ensure accessibility of Community Halls to the community	Evaluate reports received on the usage of municipal community halls	12	12	Continuous maintenance and cleaning of the facilities.	Accessibility of community facilities by the public.	Monthly	R37 135	R36 423	R38 608	The community halls were all well utilized by the public.
Traffic and Law Enforcement Vote 030	To ensure that traffic law enforcement is undertaken in Umjindi	Evaluate reports received on services of traffic law enforcement	12	12	Regular law enforcement actions are undertaken and those who contravene the law are fined.	Public safety of all road users.	Monthly	R1 945 557	R2 136 807	R2 275 015	The income on traffic fines are below the budgeted income due to the difficulty in collecting fines outside the municipal area.
Waste Management Vote 021	To ensure that the municipal environment is clean and free from litter	Evaluate reports received on waste management services rendered	12	12	Households receive a weekly refuse removal service and the businesses a daily service	Clean and safe environment for the community.	Monthly	R5 297 250	R5 818 378	R5 981 981	Refuse removal services have been rendered effectively.
BOCA Vote 191	Caring for Aged	To ensure continuous operation of BOCA	12	12	Caring of aged services rendered.	Proper caring for the aged in Umjindi.	Monthly	R729 083	R753 518	R798 729	The service centre functioned optimally and the vacancy of Service Centre Assistant was filled.

1.16 COMMUNITY FACILITIES

LIBRARY SERVICES

This service is rendered at Barberton and Emjindini Libraries, With the assistance of the South African Police Services at Low's Creek a satellite library is now fully functional and doing well.

The following are average statistics for the three libraries:

The average number of books and reading material distributed per month-	**4656**
The average number of users of the computer services (internet/study/recreation) -	**1734**
The average number of information service requested-	**1325**
The current total membership -	**9297**

Holiday programmes were offered to the children and it included reading sessions, viewing of videos and games.

All three libraries have different exhibitions on a monthly basis such as "Youth Month", "Transportation", "Drinking and Driving", "Abuse in the Home", etc.

SECTION	BUDGETED INCOME	ACTUAL	COMMENTS
Library	R 9 753.00	R 9 100.73	The income is R652.27 less than estimated due to the fact that the lost books could not be recovered nor could these readers be traced.

Key Performance Area: Infrastructure Development and Service Delivery											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Library Services	To provide library services to the community	No of reports evaluated on the functions of the libraries	12	12	Monthly feed-back reports	Monthly reports from all three libraries are received and a comprehensive service is rendered to the community.	Monthly	R906 969	R978 546	R996 979	Target Met – a comprehensive service is being rendered

CARE OF THE AGED

The BOCA Centre (Barberton Organization for the Care of the Aged) rendered a comprehensive service in accordance with the business plan approved by the Department of Social Services. The Centre accommodated 74 elderly people and were fully occupied during this financial year. No frail care facilities are available at the centre and the elderly should be in good health and able to care for themselves.

Residential units at the BOCA Centre



COMMUNITY HALLS

- **The Municipality has three (3) Community Halls which can be rented by the public for private functions namely Barberton Town Hall, Emjindini Community Hall and Cathyville Community Hall.**
- **The Emjindini Community Hall is used monthly as a Pension pay-point by the Department of Social Services.**
- **Renovation work was done at Emjindini as well as Cathyville Community Halls in order to upgrade the facilities to the same standard as the Town Hall in Barberton. The renovation work was completed successfully.**



Emjindini Community Hall



Cathyville Community Hall

1.17 ADMINISTRATION

ADMINISTRATION

There has been great adherence in the implementation of Council policies, processes and procedures in an effort to improve the overall administration of the Municipality. This has resulted in the Municipality getting less audit queries in the Management letter and finally an unqualified financial report with no matter of emphasis.

This unit is mainly focused on and responsible for the provision of administrative and Council support services, managing the Corporate Services budget, management and maintenance of Libraries, and provision of administrative and logistical support services to the other directorates.

This directorate is also responsible for ensuring that an efficient and effective administrative support services are rendered to Council. During the year under review the administration unit distributed 2880 copies of agendas and minutes to Councillors and officials of Council and the following official meetings were held:

- **26 X Section 80 Finance and Administration and Technical Committee Meetings (ordinary)**
- **6 X Council meeting (Ordinary)**
- **11 X Mayoral Committee (Ordinary)**
- **8 X Mayoral Committee (Special)**
- **6 X Council (Special)**
- **5 X Special Finance and Administration Committee**

Municipal Manager

Key Performance Area: Municipal Financial Viability & Management											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Administra-tion	Management of the budget (MM budget)	% of budgeted amount spent to date on capital projects.	100	95	95% of budgeted amount spent to date on capital projects	Better infrastructure to improve quality of life	Monthly	R19 427 083			Target met with savings
Administra-tion	Management of the budget (MM budget)	Actual expenditure vs. budgeted expenditure	100	96	96% Actual expenditure vs. budgeted expenditure	Good governance to improve service delivery	Monthly	R1 140 830	R1 209 280	R1 281 837	Target met with savings
Administra-tion	Management of the budget (MM budget)	Actual income vs. budgeted income	100	105	105% Actual income vs. budgeted income	Good governance to improve service delivery	Monthly	R1 525	R1 617	R1 713	Target exceeded

Corporate Services

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
Administra-tion	To perform the administrative functions of the directorate	% of council resolution implemented within 7 working days after minutes are available	100%	100	100% of council resolution implemented within 7 working days after minutes are available	Good governance to improve service delivery	Quarterly	0	0	0	Target met
Administra-tion	To perform the administrative functions of the directorate	% of written correspondence responded to within 14 days	100	100	100% of written correspondence responded to within 14 days	Good governance to improve service delivery	Quarterly	0	0	0	Target met
Administra-tion	To ensure effective delegations are done in writing	All delegations to be done in writing	100	100	All delegations to be done in writing	Streamline service delivery	Quarterly	0	0	0	All delegations done in writing
Over-all administratio n of the Municipality	To ensure ethical values and integrity are upheld in Council	Monitor implementation of workshops as arranged by Dir. Corp Services on ethical values and integrity awareness campaigns	2	2	Monitor implementation of workshops as arranged by Dir. Corp Services on ethical values and integrity awareness campaigns	Transparent service delivery to community	Quarterly	0	0	0	Target met
Over-all administratio n of the Municipality	To monitor compliance with all relevant legislation and Council resolutions	No of initiatives implemented as part of the Fraud / Corruption Prevention Plan	4	4	4 of initiatives implemented as part of the Fraud / Corruption Prevention Plan	Legal compliance in service delivery and clean and transparent service delivery	Annually	0	0	0	Target met
Over-all Finance of the Municipality	To ensure compliance with the MFMA	% budgeted amount spent to date on capital projects	100	90	90% budgeted amount spent to date on capital projects	No waste of public funds proper implementation	Quarterly	0	0	0	Target met with savings
Over-all Administra-tion:	To ensure that the overall administration of Council is sound	% of Council Resolution implemented within 7 working days after minutes are available.	100	98	98% of Council Resolutions implemented within 7 working days after minutes are available.	Quality Service Delivery	Quarterly	0	0	0	Target not met

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
Over-all Administra-tion:	To ensure that the overall administration of Council is sound	% of written correspondence responded to within 14 days.	100	100	100% of written correspondence responded to within 14 days	Quality Service	Quarterly	0	0	0	Target met
Over-all Administra-tion:	To ensure that the overall administration of Council is sound	Report-back on meetings/ workshops and conferences attended	100	100	Report-back on meeting/ workshops and conferences attended.	Improving official's expertise results in better service to the public	Quarterly	0	0	0	Report-back on conferences was done.
Over-all Finance of the Municipality:	To ensure compliance with the MFMA	No of completed budget statements received from the CFO	12	12	No of completed budget statements received from the CFO	Fiscal control ensures continuous quality services delivery.	Quarterly	0	0	0	Target met
Security	Access control to municipal buildings	Compilation of a Departmental Security Management Plan	1	1	Compilation of a departmental Security Management Plan	Combating crime and uninterrupted service delivery	Annually	0	0	0	Target met
Over-all Finance of the Munic	Insurance of Municipal Assets - immovable and movable	% of new assets reported for insurance purposes	100	100	100% of new assets reported for insurance purposes	Adequate tools ensure quality service delivery	Quarterly	0	0	0	Target met
Over-all Finance of the Municipality	To ensure that Systems, Procedures and Control measures are updated regularly	To review all policies and procedures on a yearly basis	1	4	To review all policies and procedures on a yearly basis	Keeping up with change benefits service delivery	Annually	0	0	0	Four policies reviewed
Over-all Finance of the Municipality:	To ensure that Systems, Procedures and Control measures are updated regularly	Update systems / procedures / control measures to minimize opportunities for negligence fraud and corruption.	2	2	Update systems / procedures / control measures to mini-mize opportunities for negligence fraud and corruption.	Improving integrity of officials creates better image to public	Annually	0	0	0	Target met

Civil Services

Key Performance Area: Municipal Financial Viability & Management											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments Output**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (07/08)**	**YR2 (08/09)**	**YR3 (09/10)**	
Administration: Vote 023	Ensure proper supervision of all staff	No of quarterly reports on the performance of the different units	1	4	Evaluation of personnel on a bi-annual basis.	Proper service delivery to the community	Quarterly	R996 510	R1 056 300		Target met
Administration: Vote 023	Management of the budget	Actual expenditure vs. budgeted expenditure	95	104	Spending of funds in line with the budget.	Proper service delivery to the community.	Monthly				Target exceeded due to temporary administrative staff employed.
Administration: Vote 023	Management of the budget	Actual income vs. budgeted income	95	0	Ensure that income as budgeted materialised.	Proper service delivery to the community	Monthly				Income received on vote 180 =91% and vote 052 = 78%
Administration: Vote 023	To ensure effective delegations are done in writing	All delegations to be done in writing	1	1	Ensure that delegations are adhered to.	Proper service delivery to the community	Monthly				Target met
Administration: Vote 023	To ensure that Systems, Procedures and Control measures are updated regularly	Update systems / procedures / control measures to minimize opportunities negligence fraud and corruption.	2	2	Personnel review procedures/systems on a yearly basis.	Proper service delivery to the community	Annually				Risk Management training attended. Fraud and Corruption Training
Administration: Vote 023	To ensure that Systems, Procedures and Control measures are updated regularly	No of reviews on systems, policies and procedures on a yearly basis	1	3	Personnel review procedures/systems on a yearly basis.	Proper service delivery to the community	Annually				WSDP, Section 78, SDF
Administration: Vote 023	To perform the administrative functions of the directorate	% of Council resolutions implemented within 7 working days after minutes are available	100	90	Information disseminated to all by responsible personnel member.	Proper service delivery to the community	Quarterly	R996 510	R1 056 300		Target not met – slow implement-tation of housing related resolutions due to verification processes.
Administration: Vote 023	To perform the administrative functions of the directorate	% of written correspondence responded to within 14 days	100	98	Almost all correspondence is responded to by the responsible personnel	Proper record keeping and communication to the public	Quarterly				Target met
Security	Ensure access control to municipal buildings	Compilation of a Departmental Security Management Plan	1	0	Still at planning phase	Community can be assured that assets are well protected.	Annually				Document is at planning phase

Electricity

Key Performance Area: Municipal Financial Viability & Management											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments Output**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (07/08)**	**YR2 (08/09)**	**YR3 (09/10)**	
Administration	Management of the budget	Actual income vs. budgeted income	100	92	Ensure that income as budgeted materialise.	Improved service delivery	Quarterly	R29 937 000			Target not met
Administration	Management of the budget	% of budgeted amount spent to date on capital projects	100	77	Improved service delivery, provision of Infrastructure and Services	Better infrastructure to improve quality of life.	Quarterly	R3 004 000			Target not met (Emj Trust still in process and switched gear not)
Administration	Management of the budget	Actual expenditure vs. budgeted expenditure	100	95	Improved service delivery	No waste of public funds – proper implementation	Quarterly				Target met
Administration	To ensure effective delegations are done in writing	All of delegations done to personnel	1	1	Improved service delivery	Effective administration	Quarterly				Target met
Administration	To perform the administrative functions of the directorate	% of Council resolution implemented within 14 working days after minutes are available	100	100	Implement all Council Resolutions	Improved service delivery to community	Quarterly				Target met
Administration	To perform the administrative functions of the directorate	% of written correspondence responded to within 14 days	100	100	Effective administration	Improved service delivery	Quarterly				Target met

Community Services

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Asset Management	To ensure compliance on the Assets Management Policy	Evaluation of the of half-yearly reports on Assets Management	2	2	Regular maintenance of municipal assets and the verifying of assets according to records.	Proper maintenance and record keeping of Municipal assets.	Twice Yearly				All new assets were reported to the asset management unit. All existing assets were well maintained.
Budget	Ensure sound financial management practices according to the MFMA per directorate	Ensure 100% compliance with Sec 78 of the MFMA	1	1	Conducting all financial procedures according to the prescribed methods contained in the MFMA.	Compliance to MFMA standards.	Annually				Financial management was done in accordance with MFMA standards.
	To ensure that the funds allocated in the adjustment budget is spent accordingly	Evaluation of quarterly performance reports on expenditure	4	2	Identifying and referral of possible over-expenditure or unforeseen expenses to the adjustment budget.	Compliance to MFMA standards and that no over-expenditure occurs.	Quarterly				Some votes were overspent but deviations were approved before any purchases were done.
	Ensure effective budget management, implementation and timeous reporting	Evaluate reports on % expenditure vs budgeted expenditure	12	12	Financial control and management through continuous verification of expenditure on each vote number	Compliance to MFMA standards and ensure that no over-expenditures occur.	Monthly				Some votes were overspent but deviations were approved before any purchases were done.
	To ensure effective budget management, implementation and timeous reporting	Evaluate reports on % income received vs budgeted income	12	12	Financial control and management	Ensure that the budgeted income materializes	Monthly				The income of the department materialized except for the Primary Health Care Section as no subsidy was received from the Department of Health.

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Capital Projects	To ensure effective budget management, implementation and timeous reporting	Evaluate progress reports submitted	4	4	Procurement of the best possible service providers for the execution of capital projects within the budgeted amount.	Ensure timeous execution of budgeted capital projects within the budgeted amount.	Quarterly	R453 000	R155 000	R170 000	All capital projects within the department were completed timeously and within the budgeted amount.
Corrective Measures	To ensure that all audit queries and management letters are addressed timeously in an appropriate manner	Evaluate reports submitted on the implementation of the recommendation/ corrective measures from the Auditors (Internal/External & AG)	4	4	Resolving of audit quires and implementation of remedial actins to prevent the reoccurrence thereof.	Ensure that all audit queries and management letters are addressed timeously in an appropriate manner.	Quarterly				Target met.
Correspondence	To ensure that all Correspondence received are being handled in a given time frame	% of Correspondence respond to within 14 days	100%	1	Speedy response in writing to correspondence received and acknowledgement thereof if the enquiry can not be solved immediately.	Ensure that correspondence are attended to timeously.	Monthly				All correspondence have been attended to timeously.
Council Resolutions	To ensure that all Council Resolutions are implemented	% of Council resolutions implemented within 14 days after receival of the minutes.	100%	1	Implementation of Council resolutions according to points mentioned in the resolutions and within the set timeframe.	Ensure implementation of Council resolutions within the set timeframe.	Quarterly				Council resolutions have been implemented timeously.

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Legislation	To ensure compliance to the legislations applicable to the directorate	Compliance to the relevant legislative requirements: Occupational Health and Safety Act: MFMA: Labour Relations: MSA	4	4	Tasking of relevant staff members within the department to ensure the implementation of Occupational Health Standards in the workplace.	Ensure compliance to legislation related to the workplace.					The employees in the Refuse Removal Section underwent their routine medical examinations.
Policies, Plan and Programmes	To monitor and evaluate the compliance of all Policies, Plans and Programmes of the Municipality.	Evaluate the reports received from different directorates on the implementation of Policies, Plans and Programmes	4	4	Supplying employees within the department with the relevant policies, plans and procedures to ensure that all employees are well informed with regard to the expectations of the employer.	Ensure the compliance of staff within the department to all plans, policies and procedures of the Municipality.	Quarterly				Target met.
Report Backs	To ensure that report-backs of conferences are submitted after to Council.	No of report-backs on conferences attended.	1	1	Obtaining a report back from an individual who represented the department at a conference and tabling the report before Council for notification an information purposes.	Ensure that the staff within the department will benefit from the information that an individual obtained whilst attending a conference.	Annually				One conference were attended by the Director.

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Supervision	To ensure that proper supervision is undertaken	No of supervisory meetings held with Section Heads	4	3	Meeting are held with section heads to keep them informed about decisions taken at management level and to hand down instructions and the expectations of the employer.	Ensure the supervision of staff within the department.	Quarterly				Meetings were held with supervisors after every management meeting.
Supply Chain	To ensure effective, efficient and economic procurement	Evaluate reports on Supply Chain Management to ensure compliance	4	4	Ensure that staff within the department procure goods and services according to the prescribed procedures and within the limited amounts.	Ensure compliance to the Supply Chain procedures.	Quarterly				Supply Chain procedures were adhered to at all times.
	To ensure effective and efficient and economic procurement	100% compliance to SCM policy and procedures	100%	100%	Procurement of goods and services according to the prescribed procedures and within the limited amounts.	Ensure compliance to the Supply Chain procedures.	Quarterly				Supply Chain procedures were adhered to at all times.
Vehicle Violation Report	To ensure proper management of the Fleet Vehicles of the municipality	Evaluate the effectiveness of the Fleet Management System based on reports received	12	3	Ad-hoc verification of vehicle usage by drivers within the department by checking speeding, excessive breaking and vehicle abuse.	Ensure proper management of the vehicle fleet of the Municipality.					Ad-hoc verification of the vehicle violations was done but none were found.

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Delegated Powers	To ensure effective accountability on delegated powers	Evaluate the effectiveness of delegated powers	2	2	Allocation of delegated powers to officials within the department and explanation of the limits and expectations of the employer.	Ensure effective execution of delegated powers and the responsibility that accompanies it.	Twice Yearly				All delegated powers were done according to the policy of Council.
Fraud and Corruption	To ensure that effective prevention of fraud and corruption measure are implemented per directorate	Evaluation of the prevention of fraud and corruption measures implemented	4	3	Implementation of procedures and measures within the department that will minimize the occurrence of fraud and corruption. Encouraging of employees to report any cases of fraud and corruption.	Minimize and combat the occurrence of fraud and corruption.	Quarterly				Section heads were encouraged to do spot checks on the staff their sections and to discourage fraud and corruption.
Learners and Drivers Licenses Vote 011	To ensure that the license section is managed effectively and complies with National Standard.	No of reports submitted on compliance of the testing ground with National Standards.	12	12	Regular meetings with supervisors within the section to ensure that all procedures are followed. Strict adherence to the programme determined for certain activities.	Ensure that the license section is managed effectively and complies with National Standard.	Monthly	R1 296 560	R1 393 742	R1 477 367	Target met.

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Performance Appraisal	To ensure that performance of all directorates cascade to all personnel	Evaluation of reports submitted on appraisal session held per employee/unit	4	1	Regular meeting with staff within the different sections and the formulation of an appraisal format for each individual.	Measure the performance of all staff within the department and to ensure optimal productivity.	Quarterly				Difficulty was experienced to obtain the buy-in of all staff as there is no incentive for excellent performance. A simplified reporting system need to be developed.
Risk Management	To ensure that risk management policies is being implemented within the directorate	Evaluation of reports received on risk assessments done and corrective measures implemented in the unit.	4	3	Communication of the risk policies and preventative measures to all staff within the department.	Asses all risk within the Municipality and to minimize or eliminate their impact.	Quarterly				The enquiry that was received was investigate by the Internal Auditor and was unfounded.

Chief Financial Services

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Administration	To monitor and evaluate compliance of all policies, plans and programmes of the Municipality	% implementation of all policies, plans and programmes and the effectiveness thereof	100	100	Compliance and adherence of all policies, plans and programmes	Efficient administration	Quarterly				Monitoring of compliance forms part of monthly section reporting
Administration	To ensure that all correspondence received are being handled in a given time frame	% of correspondence responded to within 14 days	100	100	All correspondence responded to within 14 days	Efficient administration	Quarterly				100% correspondence responded to within 14 days
Administration	To ensure that all council resolutions are implemented	% of council resolutions implemented within 14 days after minutes are received	100	90	Implementation of council resolutions	Efficient administration	Quarterly				90% of council resolutions implemented
Administration	To ensure effective accountability on delegated powers	Effectiveness of delegated powers	Yes	Yes	Written delegations are in place and implemented	Efficient administration	Half-yearly				Delegated powers are in writing, approved by council and implemented
Administration	To ensure the effectiveness of the performance appraisal system in the directorate	No. of reports evaluated on the performance appraisal of the unit	2	0	Performance of staff monitored	Efficient administration	Half-yearly				Evaluation of staff in the directorate implemented on a phased-in approach
Administration	To ensure that performance of all directorates cascade to all personnel	No. of reports evaluated on the performance appraisal of the unit	2	0	Performance of staff monitored	Efficient administration	Half-yearly				Evaluation of staff in the directorate implemented on a phased-in approach
Administration	To ensure that report backs of conferences are submitted after to council	No. of report backs on conferences attended	1	1	Reports submitted to council	Efficient administration	Annually				Reports submitted to council on all conferences attended
Administration	To ensure that proper supervision is undertaken	No. of supervisory meetings held with section heads	11	9	Proper management of section	Efficient administration	Monthly				Meetings are held 3 times a month with supervisors and once a month with all finance personnel
Administration	To ensure that all personnel are adequately capacitated to carry out their assigned duties/functions	No. of reports submitted by the supervisors with regards to training needs of personnel within the department.	4	3	Skilled workforce	Efficient administration	Quarterly				Training needs are continuously identified and staff trained to ensure that they are skilled to perform their functions

LEGAL SERVICES

DISCIPLINARY PROCEDURES:

Labour relations issues by means of disciplinary hearings were attended to and at the end of the financial year the status quo was:

- **Directorate of Corporate Services: 2 cases finalised.**
- **Financial Services: 1 case finalised**
- **Directorate Electrical Services : 1 case resolved prior to disciplinary hearing**
- **Office of the Mayor : 1 case : Disciplinary procedure in process**

A Labour Relations Officer was appoint during November 2007

GENERAL MATTERS

- **De Kaap Farmers Union : Dispute regarding sewer line servitude and compensation thereof. – Still to be resolved.**
- **Samwu Pension Fund : Claim regard membership contributions. – Still to be resolved.**

- **The following By-Laws were promulgated:**
 - **Standing Orders to prescribe rules and orders for the Internal Arrangements and proceedings of the Municipal Council.**
 - **By-Laws for the Control of Outdoor Advertising.**

- **Numerous legal related enquiries were handed with regard to various matters within the municipal sphere e.g. land issues, by-laws, Town Planning, etcetera.**

3.3 RECORDS MANAGEMENT

The Records Section ensures that the following functions are expeditiously carried out:

- **Timeously distribution of all Management minutes to management;**
- **Distribution of incoming correspondence to relevant directorates;**
- **Timeous execution of Council resolutions**
- **All administrative procedures within the records section are updated on a daily basis.**
- **The Correspondence System, within the Municipality is up to date, according to regulations and functioning properly**
- **The centralized storage, safe keeping and control over contracts and security documentation are under strict control.**

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Records	To ensure provision of an effective and efficient administrative support service to Council	All agendas and minutes delivered to Sec 80, Mayoral committee and administration within scheduled time (at least 48 hours before meeting)	1	1	Council Agendas and Minutes to be delivered to all	Well organized and properly structured meetings of the Council	Quarterly				Target met
Records	To ensure that weekly management meeting meet minutes are kept and follow-up's done	Timeously distribution of all Management minutes to management	36	48	Administrative record keeping by personnel	Management tool that can ensure the execution of instructions and the recording of decisions	Quarterly				Target met
Records	To ensure the receival and distribution and safekeeping of all correspondence	% of incoming correspondence distributed to Directors within 3 days	100	100	Archive system to be kept updated	Speedy distribution of incoming correspondence to relevant directorates	Quarterly				Target met
Records	To perform the administrative functions of the directorate	% of council resolution implemented within 7 working days after minutes are available	100	100	Council resolution to be implemented	Timeous execution of Council resolutions	Quarterly				Target met

CHALLENGES

CHALLENGES EXPERIENCED WITHIN THE DEPARTMENT IN THE 2007/2008 FINANCIAL YEAR:

- **This directorate is still without a Director Corporate Services, and this is placing a strain on other officials to carry the workload.**

- **Office space has been a major issue in this department, we are currently sharing offices due to lack of office space.**

- **In order to ensure that the municipality has an effective, efficient Customer Care Unit, new offices for all front-line officials needs to be built.**

- **There is currently only one staff member in the records section, there is an urgent need of an extra official to assist.**

- **Lack of office space, the non existence of a proper Records Registry, the unauthorized entry of official and public members and lack of adequate records storage facilities, for existing and future needs must be addressed as a matter of urgency.**

- **Wooden shelves must be replaced with steal and strong rooms equipped with the necessary safety specifications according to the National Archives and Records Services Policy Manual.**

KPA.2	LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT

The approach to LED is based on a joint government effort reflected in the policy shift approved by Cabinet and municipal IDPs are to become local expressions reflecting the synergized inputs of all three spheres of government. In this regard, LED is not just about what municipalities do, but more critically what the rest of government does together with municipalities.

Each local economy has its own unique strengths – is aware of its own comparative advantage – and each contributes to national growth and development in a special way.

The role of the municipality is to assist and to create the conditions for local action to emerge and grow. The municipality should also play the role of facilitator, net-worker and monitor.

INVOLVEMENT IN PROJECTS

1. TOURISM DEVELOPMENT

- **Facilitated the Mpumalanga Tourism and Parks Agency (MTPA) Tourism Learnership Programme within the Umjindi area: 01 July 2007 – 30 June 2008.**
- **(LED related) Facilitated the Department of Trade and Industry's (DTIs) Cooperative, Black Business Supplier Development Programme/Scheme (BBSDP) and Network Facilitator's workshop.**

ACHIEVEMENTS

- **9 Local unemployed youth were in a 12 months learnership training course: 1 in Tour guiding, 2 in Nature Conservation, 2 in Hospitality Reception and 4 in Tourism Reception. They are all under the management of the MTPA and are paid a stipend of R950.00 per month as from 1 July 2007 to 30 June 2008.**
- **The Cooperatives objectives and BBSDP scheme was introduced to all local Black SMME and Businesses. The scheme funds all sorts of businesses up to until R100.000.00.**

- **30 Local unemployed youth were employed on temporary basis by the DTI as Network Facilitator. A Network Facilitator conducts a needs assessment of the enterprises and assists enterprises in completing the BBSDP application forms. A Network Facilitator is paid a fixed amount of R5 000.00 for projects exceeding R50 000.00 and 10% of the project lesser than R50 000.00.**

CHALLENGES

- **Not enough budget was allocated for tourism development.**

2. CULTURAL DEVELOPMENT

Facilitates the development of Textile and Craft industry.

ACHIEVEMENTS

- **Umjindi Arts Forum has applied for registration with the Registrar of Companies and has opened a Bank Account with First National Bank.**
- **Vuka Mjindi Social Club (Theatre group) was formed and they are rehearsing thrice a week.**
- **Had a meeting with local crafters and fashion designers – for type of training needed to address marketing backlogs – type of training required was identified.**
- **Visited the BAT Centre in Durban for research and the National Department of Arts and Culture for funding opportunities.**
- **Sent bursary application forms to National Film and Video Foundation (NFVF) – for film studies.**

CHALLENGES

- **Not enough funding was allocated for Cultural Industries.**
- **Local crafters and artists are not registered with the Registrar of Companies and therefore cannot be recognized and access government grants/funding.**

RECOMMENDATIONS

- **Local Arts and Culture Forum to be involved during the IDP Process.**
- **Crafters to be linked with SEDA and Dept. of Economic Development and Planning for Company Registration.**

3. NATIONAL ARTS FESTIVAL

Umjindi Municipality sponsored 4 local Crafters to exhibit their crafts/products at Grahamstown during the National Arts Festival 2008 so as to expose them to national and global market.

ACHIEVEMENTS

- **Several orders were received.**
- **Total sales of R74000.00 were made.**

CHALLENGES

- **Crafters lack exhibition, sales and marketing skills.**

4. HERITAGE DEVELOPMENT

The LED Section facilitated the preparation for the local heritage day celebration.

ACHIEVEMENTS

- **Established an interim committee that sits every week up to until 22 September 2007 and looks into the preparation of the heritage day celebration. The committee consists of local relevant stakeholders: House of Traditional Healers, House of Traditional Leaders, BCT, SAPS, BCR, Umjindi Municipality, etc.**
- **Successful event.**
- **Council provided funds for the 2007 Umjindi Heritage Day Celebration.**

5. BUSINESS DAY FOR COMMUNITIES: 25 JANUARY 2008 AT VERULAM SPORTS GROUND

Ehlanzeni District Municipality was the driver of this programme. Its main aim was to provide business and educational information to rural communities.

ACHIEVEMENTS

- **The programme/information met the targeted groups (People from the rural areas – rural development).**
- **The programme was hosted in all five municipalities of the District.**
- **In Umjindi, the programme was well publicized and well attended.**
- **Umjindi Municipality (LED Section) provided all logistics support as per request from EDM.**

CHALLENGES

- **Limited funding.**

6. WORKING FOR WATER PROGRAMME

This is a Department of Water Affairs (DWAF) and Forestry programme, aiming to relief poverty in all communities throughout the Country, by providing skills development and job creation, targeting rural communities, poor of the poorest, youth, women, people with physical disability and males.

ACHIEVEMENTS

- **The Advisory Committee was established, as per DWAF guidelines.**
- **Advertisement (searching for job seekers) was sent out and the targeted groups applied from all the rural areas of Umjindi. 211 applications were received – 29 for Entrepreneurs and 182 for General Workers.**

CHALLENGES

- **Duplication of duties between the LED Coordinator and the Transversal Officer.**

RECOMMENDATIONS

- **Proper coordination of programmes between the LED Section and Transversal Officer.**

7. UMJINDI FLEA MARKET: 1 MARCH 2008 AND 15-21 JUNE 2008

- **This programme intends to provide a platform for local crafters, hawkers, business people, charity organizations and churches to showcase or sell products to the interested buyers.**
- **To be held quarterly.**

ACHIEVEMENTS

- **The programme met the targeted group (SMME's).**
- **Created network for the local SMME's.**
- **Was well-organized – municipal departments provided all logistics as requested.**

CHALLENGES

- **The venue (Burgerville) was not suitable for the event: safety measures were not in place and not enough sales were made as targeted.**
- **Funding not sufficient.**
- **The programme was not well publicized.**

RECOMMENDATIONS

- **Security Company be hired in future.**
- **Funding be made available for publicity and logistics.**

8. LED TRAINING

Umjindi Municipality, together with GTZ and LOCATI offered the LED training to 20 local emerging business individuals and Umjindi officials.

ACHIEVEMENTS

- **The training was well attended.**

CHALLENGES

- **Trainees were requested to submit 1 test to LOCATI, for accreditation and only 2 trainees/participants submitted their tests.**
- **The two participants passed the test and were declared competent in the LED field.**

RECOMMENDATIONS

- **In future, participants should sign an agreement to finish such course and should be penalized.**

9. HAWKERS TRAINING

- **94 Hawkers from all Municipal Wards were trained in Business Management, Marketing Management, Financial Management, Hygiene and Cleanliness, Communications and Customer Care.**
- **Issue hawker/trading permits on a daily basis.**

ACHIEVEMENTS

- **The training was a success and all hawkers were committed to the training.**

CHALLENGES

- **Illiteracy (90% of the hawkers are illiterate).**

RECOMMENDATIONS

- **ABET classes to be provided – Dept. of Education to be involved.**

10. SMME CENTRE

Umjindi Municipality leased out the SMME Centre to the Accredited Service Provider (Tirhani Skills Development) to render training services to the community.

ACHIEVEMENTS

- **SMME Centre is under renovations.**
- **Service Provider (Tirhani Skills Development) entered into an agreement with Umjindi Council.**

CHALLENGES

- **Training needs from the community.**

11. FILM AND VIDEO BURSARIES TO 4 LOCAL STUDENTS

Umjindi Local Municipality, in conjunction with National Film and Video Foundation of South Africa (NFVF) came to an agreement that they will sponsor 4 students to study film and video for a period of three (3) years at Tshwane University of Technology (TUT).
NFVF will sponsor 2 students and Umjindi Municipality will also sponsor 2 students.
Both sponsors (NFVF and Umjindi Municipality) will only cover 75% of the study fees.

ACHIEVEMENTS

- **An advertisement for interested students was sent out to our local newspaper.**
- **Only 14 applications were received.**
- **2 Students passed the interviews and were awarded bursaries to study film and video as from January 2009.**

CHALLENGES

- **Only two students, instead of 4, were awarded the bursaries.**

12. LED BUSINESS MEETING – 27 MAY 2008 (GOVERNMENT OUTREACH)

The LED Section was tasked to arrange a business meeting between Umjindi Business Sector, Umjindi Mayor and the Provincial MEC for the Department of Economic Development and Planning.

ACHIEVEMENTS

The meeting was well attended. The Department of Economic Development and Planning will forward all issues raised during the meeting to relevant provincial departments.

CHALLENGES

No structured database of all businesses in Umjindi – LED Coordinator had to walk around town delivering invitations in each shop.

13. COOPERATIVES WORKSHOP

Umjindi Municipality, together with SEDA and the Department of Health and Social Services hosted a Cooperative Workshop in May 2008. Eight (8) Community Based Organizations represented by different reps and interested community members attended the workshop.

ACHIEVEMENTS

- **2 Cooperatives have been successfully registered.**
- **One Cooperative (Imvelo Yelusha Greening Project) – on a process of registering, received R350 000.00 grant/funding from the Department of Health and Social Services.**

CHALLENGES

- **Community Based Organizations are still not familiar with Cooperatives.**

RECOMMENDATIONS

- **Since most business organizations are still not interested in Cooperatives, SEDA and Department of Economic Development and Planning be requested to host road-shows on a regular basis on Cooperatives.**

14. SASOL ENTREPRENEUR DEVELOPMENT PROGRAMME

This is a SASOL programme, targeting young entrepreneurs, especially young people, who want to establish businesses. The programme develops and funds young entrepreneurs.

ACHIEVEMENTS

- **200 application forms were sent out to all wards.**

CHALLENGES

- **Only eleven (11) applications were submitted and forwarded to SASOL.**

15. UMJINDI JEWELLERY PROJECT: R130, 000-00

- **Due to late receipt of promised funding from National Development Agency, Nelson Mandela Children's Fund and the Mining Qualifications Authority, this Project requested and was granted financial assistance in an amount of R130 000-00 duly received in February 2008. Without this assistance the Project would not have been able to continue.**

- **Most of the promised funding was duly received for our financial year to February 2009 and a small portion to maintain running expenses to June 2009.**

- **We are currently preparing our Budget for February 2010. Nelson Mandela Children's' Fund, MQA, Dept. Economic Affairs - Provincial Government and Umjindi Municipality will be approached for funding.**

16. HERITAGE

- **The tentative list stage was reached in the SA World Heritage declaration of the Barberton/ Makhonjwa Mountain land World Heritage Site project with Min. van Schalkwyk of DEAT submitting this proposal to UNESCO in Paris, who accepted this submission and officially placed the project on South Africa's tentative list.**
- **The Task Team is now engaged in the process of compiling a Nomination Dossier where tenders were called for and we are presently engaged in refining the project deliverables and proposed budget so as to ensure its acceptability to all parties with the successful tenderer.**
- **The DCSR has already committed R2 million in this financial year towards this project which will cost between R4 and R5 million for the finalization of the Dossier over a period of 18 months.**
- **As Technical Co-operation Agreement was compiled by the PMU Administrator which will shortly be signed by the participating institutions.**

Key Performance Area: Local Economic Development											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
LED	To create an enabling environment conducive to investment opportunities	-Incentive policy -Marketing plan -Availability of land and services	1	1	Ensure inclusion of Umjindi by Mbombela and Mpumalanga Province on FIFA 2010	Economic empowerment opportunities for local entrepreneurs	Annually	0	0	0	Target met
LED	To create an enabling environment conducive to investment opportunities	No of meetings held for the establishment of the Development Agency	1	1	Negotiations for the possible establishment of the local Development Agency	Economic growth and job opportunities for the community	Quarterly	0	0	279000.00	Target met
LED	Monitor the utilization of the SMME Centre by service providers	No of inspections and monitoring on service providers utilizing the SMME Centre to be in line with action plan.	1	1	Inspections and monitoring on service providers utilizing the SMME Centre by ensuring proper training to improve skills.	Empower-ment of local residents	Quarterly	0	0	0	Service providers monitored
LED	Monitor the utilization of the SMME Centre by service providers	No of training courses offered that is LED related	6	9	Training courses offered that are LED related by ensuring proper training to improve skills	Empower-ment of local residents	Quarterly	50000	53000	200000	Target met
LED	To ensure that BCT render tourism functions in line with service level agreement	No of audit reports received from the BCT	1	1	Audit reports received from the BCT	Proper financial management of funds to ensure that clear audited financial statements is submitted	Annually	0	0	0	Target met

Key Performance Area: Local Economic Development

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
LED	To ensure job creation in the capital program of the Municipality	No of temporary jobs created during the implementation of the capital projects in all the directorates.	60	67	Ensure that performance activities are in line with performance targets.	Local residents in the tourism field benefit from the activities of the BCT.	Annually	0	0	0	Target met
LED	To ensure that BCT render tourism functions in line with service level agreement	No of reports received from BCT on their performance targets	4	4	Reports received from BCT on their performance targets	Marketing Umjindi as a tourism destination to grow the industry to ensure that tourism attractions are well marketed to the benefit of the community.	Annually	229000	240000	260000	Target met
LED	To facilitate the implementation of the LED and Eco-Heritage Strategies	No of LED projects facilitated as emanated from the LED and Eco-Heritage Strategies	4	4	No of LED projects facilitated as emanated from the LED and Eco-Heritage Strategies	Creating potential developments where opportunities for community will arise	Annually	0	0	0	Target met
LED	To promote tourism within Umjindi	Number of people exposed to cultural & tourism activities	50	50	Tourism/cultural awareness created in community	50 people exposed to cultural & tourism activities	Annually	180000	190800	202248	Target met

Key Performance Area: Local Economic Development

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
LED	To promote economic growth and development	Jobs created through municipality's local economic development initiatives including capital projects (part time)	55	225	Poverty alleviation and skills development	225 jobs created through municipality's local economic development initiatives including capital projects (part time)	Annually	0	0	0	Target met
LED	To promote economic growth and development	No of street trading permits issued to monitor hawkers and renting out hawkers stalls	50	150	Issuing of trading permits, monitor hawkers and renting out hawker stalls	Local hawkers to benefit from Council's involvement on the monitoring and renting out of hawkers stall.	Daily	0	0	0	Target met (However, street trading permits are not monitored)
MPCC	To ensure establishment of a MPCC in Umjindi by 2014	The compilation of a business plan to obtain funding for a MPCC	1	1	Compilation of a proposal a business plan for funding for a MPCC (2207)	Easier access to services for community members	Annually	0	0	0	Target met

KPA.3 Municipal Financial Viability

3.1 FINANCIAL VIABILITY

MUNICIPAL FINANCIAL HEALTH

FINANCIAL MANAGEMENT

- **The Financial Services Directorate aims to ensure efficient and effective Financial Management for Umjindi Local Municipality.**
- **The Financial Philosophy of Umjindi Municipality is to provide a sound financial base and the resources necessary to sustain a satisfactory level on Municipal services for Umjindi citizens.**
- **Financial Management is the cornerstone of any organization. The control measures have been in place to achieve sound financial management and efficient budget management to be sustainable at all times.**
- **Umjindi Municipality's financial regulations and policies are continuously reviewed to ensure compliance and good financial discipline.**
- **The implementation of the projects identified during the IDP Process requires large capital investments, which is achievable through proper financial management systems, and efficient budget management.**

GENERAL

- **The Umjindi Municipality believes in the adoption of all necessary measure (plans / policies) to promote and economic development and provide services to communities in an efficient, sustainable and affordable manner.**
- **The aim of this report is to inform Council and the community on the financial position of Council with regard to budget and forecasts, management of the institution as well as all services that were rendered to the community in the reporting year.**
- **Various consultation meetings with the residents of Umjindi are conducted regarding IDP, budget and MPRA to ensure that the inputs and views of the community inform the spending plans of the Municipality and realize development.**

Financial Management Guidelines

RATES AND TARIFF POLICIES

- **The tariff policy adopted by Council during 2003 was comprehensively revised during May 2008 for implementation in the 2008/2009 financial year.**
- **The Property Rates Policy adopted by Council in 2006 is currently being reviewed to ensure that it complies with the Municipal Property Rates Act.**

TARIFFS

- **In determining the tariffs, a fine balance is to be maintained between sustainability, cost recovery and affordability.**
- **The Municipal Council of Umjindi believes that a uniform tariff policy should be adopted to promote social and economic development and to provide services to communities in an efficient and sustainable manner.**
- **The Tariff Policy has therefore been adopted to promote social and economic development in Umjindi Municipality.**

INDIGENT HOUSEHOLDS

- **The internally generated income of Umjindi Municipality is primarily utilized for operating expenditure. The Equitable Share received from National Treasury is utilized for the provision of Free Basic Services for urban and rural consumers as well as to subsidies the indigent debtors.**
- **Council is continuously fulfilling its mandatory responsibility towards poor households by providing Free Basic Service through the implementation of its INDIGENT POLICY which has been reviewed for the 2008/2009 Financial Year.**
- **A portion of the Equitable Share is utilized to subsidies the indigent households for the following services:**
 - **Water : First 6kl , Electricity : First 50kwh, Property Rates, Refuse Removal and Sewerage.**
 - **Another portion of the Equitable Share is utilized by Council to provide the first 6kl water and the first 50kwh electricity to all residential households of Umjindi for the 2007/2008 Financial Year.**

- **This translates into 45% of the Equitable Share being utilized to provide and subsidies the basic services provided within the community of Umjindi.**

CREDIT CONTROL AND DEBT COLLECTION POLICY

- **The Credit Control & Debt Collection of Umjindi Municipality has also been reviewed for vigorous implementation in the 2008/2009 Financial Year.**
- **Various interventions have been done to improve on the implementation of the Debt Collection procedures in order to improve the financial position of Council in 2007/2008 Financial Year.**
- **Debt Collection remains a grave concern and challenge for the Municipality however with the adoption and implementation of the Comprehensive Debt Management Strategy Council hopes to overcome this challenge.**

BROADENING REVENUE BASE

- **The Municipality is constantly considering various ways of improving its revenue base. With the enactment of the Municipal Property Rates Act, Council is currently reviewing its policy to ensure full compliance with the Act. Implementation of the Policy will ensure and assist Council in broadening its revenue base.**
- **A service provided was appointed in 2006/2007 to assist Council in compiling a Municipal Valuation Roll of all properties within the jurisdiction of the Municipality. The Valuation roll will assist Council to levy accurate property rates based on the market values of properties within the Municipality. The Policy will be implemented in full in the 2009/2010 Financial Year.**

COST-EFFECTIVENESS

- **Planning is the first step towards cost-effectiveness.**
- **Planning constitutes an integral part of the proper management of the Municipality.**
- **Various measures are constantly being put in place to improve the cost-effectiveness on procurement, financing and investments according to Municipal Financial Management Act (MFMA).**

FINANCIAL POSITION

- **The financial position of the Municipality is stable with minimum own funding to contribute to Capital investments which means that Council has to rely on grant funding such as MIG, MSIG and DME to implement all its major capital projects.**
- **The approval of the six "wall to wall" Regional Electricity Distributions (RED's) into public entities will have a negative financial implication for Council's financial status as Council relies on electricity sales to generate most of its revenue.**

FUNDING THE IDP PRIORITIES

- **It is very clear from the operating budget that Umjindi Municipality can only generate sufficient internal income to cover its operational responsibilities. This implies that virtually all major capital projects have to be funded externally.**

FINANCING SOURCES

- **It is very clear that most projects / items listed in the Council's IDP exceed Council's own funding by far and therefore additional funding has to be sourced externally through external loans, grants and subsidies.**

OVERVIEW OF ACHIEVEMENTS

- **Payment rate is stable at between 95 and 96%**
- **Cut-off's are executed monthly**
- **88% of Indigent applications have been approved and 25% were subjected to be verified.**
- **Monthly budget statements as required in terms of Section 71 are compiled and submitted to Provincial and National Treasury, DPLG and Council.**
- **The Adjustment Budget was tabled before Council for approval.**
- **The 2008/9 draft annual budget was tabled before Council in January in line with the MFMA**
- **Deloitte Consulting conducted a GAP analysis with regards to GRAP/GAMAP requirements.**
- **GRAP/GAMAP Annual Financial Statements were compiled and submitted to the Auditor General before the due date of 31st August and audited and an unqualified opinion was received from the office of the Auditor General.**
- **Supply Chain Management Unit was re-structured in accordance with SCM regulations.**
- **The following positions were advertised and filled:**

- Supply Chain Manager
- Intern – Procurement Officer
- Intern – Asset Control Officers x 2
- Storekeeper

- **All Bid Adjudication Committees were re-established and members appointed in accordance with SCM guidelines.**
- **SCM Unit facilitated SCM workshop to Management of the Municipality.**
- **SCM functions were recalled and centralized within the unit.**
- **Regulatory stock take was successfully conducted.**
- **Asset Verification was successfully conducted in January.**
- **Annual registration of Indigents started with effect 1 March 2008 and closed on 31 March 2008.**
- **90% of properties within Umjindi have been inspected and their respective data collection in preparation for the valuation roll.**
- **Additional sites were indentified in Ext 2 Dindela, Ext 8, Task Motors and eMjindini Trust and contracts concluded for the implementation of the vending machines.**

OVERVIEW OF CHALLENGES:

- **Revenue Collection remains a challenge for the Department.**
- **Debtors also remain a serious challenge for the Department.**
- **The decentralized nature of the SCM functions remains a challenge with regards to ensuring compliance with SCM regulations.**
- **Asset Management is a challenge with regards to ensuring full compliance with GRAP 17 (Infrastructure Assets).**

FINANCIAL STATEMENTS AND AUDITOR GENERAL REPORT

- **The Financial Statements for the 2007/2008 Financial Year were submitted for auditing to the office of the Auditor General. An unqualified audit opinion and report was received from the Auditor General.**
- **Attached as Annexure is the Audited Annual Financial Statements for the 2007/08 Financial Year as well as the Auditor General's Report.**

Chief Financial Services

Key Performance Area: Good Governance and Public Participation											
Goal:											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (07/08)**	**YR2 (08/09)**	**YR3 (09/10)**	
Administration	To ensure effective and efficient mechanisms for community, stakeholder and customer participation and empowerment	% on participation and attendance at all applicable community & stakeholder engagement initiatives & forums & official report	100	100	All public participation meetings are attended to and all official reports are provided	Efficient administration	Quarterly				Community consultation meetings, budget consultation & MPRA consultation meetings attended
Administration	To ensure effective and efficient mechanisms for community, stakeholder and customer participation and empowerment	No. of reports evaluated received from customers on complaints & compliments in accordance with batho pele service charter	4	3	All complaints timeously and adequately attended to	Efficient administration	Quarterly				All complaints were timeously and adequately addressed
Administration	To improve customer care relations & service delivery per directorate	No. of reports evaluated of complaints/compliments received in the suggestion box of the front line relations office	4	4	All complaints timeously and adequately attended to	Efficient administration	Quarterly				Compliments were received with regards to after hours vending machines for purchase of electricity

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Indigent	To maintain and improve the quality of life of indigent household	No. of reports evaluated and received on the indigents process in line with council resolution	4	4	Indigent process in line with council resolution	Poverty alleviation for indigent household	Quarterly				Indigent process in line with council resolution, finalised and reports tabled before council
Budget Control	To ensure effective budget management in compliance with the MFMA	% of compliance with Chapter 4 of the MFMA	100	100	Budget process in line with Chapter 4 of the MFMA	Sound financial management	Quarterly				Final budget for 2008/09 tabled and approved by council in May 2008
Financial Management	To ensure effective budget management, implementation and timeous reporting	% of compliance in order to reduce matters for qualification in accordance with Chapter 12 of the MFMA	100	100	Obtain unqualified audit report	Sound financial management	Annually				Unqualified audit report obtained and action plan developed to address issues raised by the Auditor General
Budget Control	To ensure effective budget management, implementation and timeous reporting	No. of the Section 71 & 72 of the MFMA reports submitted to council	12	12	Reports submitted to council	Sound financial management	Monthly				All monthly section 71 & 72 reports completed accurately and submitted on time to Provincial & National Treasury, DPLG and Council
Financial Management	To ensure effective budget management, implementation and timeous reporting	No. of reports evaluated on % expenditure vs. budgeted expenditure	12	12	Expenditure materialised in accordance with planned budget	Prudent financial management achieved	Monthly				Monthly budget statements submitted to council and management for effective monitoring
Financial Management	To ensure effective budget management, implementation and timeous reporting	No. of reports evaluated on % income received vs. budgeted income	12	12	Target on revenue collection met	Prudent financial management achieved	Monthly				Monthly budget statements submitted to council and management for effective monitoring
Financial Management	To ensure sound financial management practices implemented in terms of the MFMA	No. of reports evaluated to ensure compliance with Budget process, Supply Chain, Revenue, Expenditure & Reporting	12	12	Financial reports submitted on time	Sound financial management	Monthly				Monthly budget statements submitted to council and management for effective monitoring

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Financial Management	To ensure that proper administration practices are implemented in the department	% compliance with GAMAP and GRAP	100	90	Financial procedures implemented in accordance with financial principles	Sound financial management	Annually				Action plan developed to ensure compliance with GRAP/GAMAP
Financial Management	To ensure that all capital projects as identified in the IDP are implemented and completed at budgeted amounts	No. of progress reports submitted in relation to capital projects	4	4	Capital projects implemented according to the IDP and budget	Improve service delivery	Quarterly				Monthly budget statements submitted to council and management for effective monitoring
Financial Management	To ensure effective cash flow and petty cash management	No. of reports received on cash flow and petty cash management	12	12	Financial viability of the Municipality and monthly reconciliation performed	Sound financial management	Monthly				Compliance to banking and investment policy maintained and monthly petty cash reconciliations performed
Financial Management	To ensure the effective management of revenue	No. of reports evaluated on revenue management	12	12	Revenue realistically collected and managed efficiently	Sound financial management	Monthly				Compliance to banking and investment policy maintained and monthly petty cash reconciliations performed
Financial Management	To ensure that the Municipality has a proper valuation roll	No. of reports evaluated on ensuring a proper valuation roll is in place and compliant with legislation	2	2	Compliance with MPRA and enhancement of Municipal revenue	Compliance with legislation	Half-yearly				90% of properties inspected and data collected for development of complete valuation roll
Financial Management	To ensure compliance on the Asset Management Policy	No. of half-yearly reports evaluated on Asset Management	2	2	Safeguarding of Municipal Assets	Properly account for municipal assets	Half-yearly				Half-yearly and year-end asset verification process undertaken and finalised

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Supply Chain Management	To ensure effective, efficient and economic procurement	No. of reports evaluated on Supply Chain Management to ensure compliance	4	4	Procurement process in line with Supply Chain Management Policy	Promotion of Local Economic Development and compliance with legislation and policies	Quarterly				Reports submitted in accordance with regulations
Supply Chain Management	To ensure that Supply Chain Management regulations are adhered to	No. of reports submitted to council on Supply Chain Management transactions	12	12	Compliance with SCM regulations relatively met	Compliance with legislation and Local Economic Development enhanced	Monthly				Compliance with Supply Chain management regulations and legislation adhered to
Financial Management	To ensure that risk management policy is being implemented within the directorate	No. of reports evaluated and received on risk assessment done and corrective measures implemented in the unit	4	2	Compliance with risk management regulations	Municipal continuity	Quarterly				Risk assessment has been performed and risk register developed. Risks have been incorporated into the 2008/09 SDBIP
Financial Management	To ensure that all audit queries and management letters are addressed timeously in an appropriate manner	No. of reports submitted on the implementation of the recommendations/ corrective measures from the internal and external auditors	5	4	Obtain unqualified audit report	Sound financial management	Quarterly				Action plan on the queries raised in the final management letter was developed in January and implementation on a continuous basis
Financial Management	To ensure that effective prevention of fraud and corruption measures are implemented per directorate	No. of reports evaluated on the prevention of fraud and corruption measures implemented	4	3	Fraud and Corruption is prevented	Efficient administration	Quarterly				Policy continuously monitored

Key Performance Area: Municipal Financial Viability & Management

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments Output
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Financial Management	To ensure that the Municipality is financially viable and functional	No. of reports analysing the Financial Statements in accordance with financial principles	1	0	Financial Statements analysed for management purposes	Financial viability	Annually				Report to be compiled upon receipt of the Audit Report
Financial Management	To ensure compliance with the MFMA	Debt Coverage as defined in the MFMA	100	173	Loans are paid as they become due	Improve credit rating of the municipality	Monthly				Target met
Financial Management	To ensure proper management of the fleet vehicles of the municipality	No. of reports evaluated on the effectiveness of the fleet management system based on reports received	12	12	Safeguarding of Municipal fleet	Proper accounting of municipal fleet	Monthly				Fleet management reports and corrective action implemented where necessary

Key Performance Area: Local Economic Development

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (07/08)	YR2 (08/09)	YR3 (09/10)	
Administration	To contribute on poverty alleviation initiatives through the implementation of capital projects of the municipality	No. of temporary jobs created addressing the previously disadvantaged individuals	4	3	Create jobs to alleviate poverty	Promote local economic development	Quarterly				Temporary jobs are created primarily during the indigent process

AUDITOR-GENERAL

The Municipal Manager
Umjindi Municipality
PO Box 33
BARBERTON
1300

28 November 2008

Reference: 02054REG07/08
Enquiries: Ms Cousins
Ad/

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF UMJINDI LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act, 2004 (Act No. 25 of 2004) read in conjunction with section 188 of the Constitution of the Republic of South Africa, 1996 and section 121(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

In terms of sections 121(3) and 127(2) of the MFMA municipalities have to include the audit report in the municipality's annual report for tabling within seven months after the end of the financial year.

Until tabled as required by section 127(2) the report is **not a public document** and should therefore be treated as **confidential**.

As your municipality will be responsible for publishing the attached audit report as part of the annual report, you are required to do the following:

- Submit the final printer's proof of the annual report (which includes the audit report) to the relevant audit manager of the Auditor-General for verification of the audit-related references before it is printed or copied. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.

- The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.

Please notify the undersigned Business Executive well in advance of the date on which the audit report, or the annual report containing this audit report, will be tabled at the municipality. Your cooperation to ensure that all these requirements are met would be much appreciated.

Auditor-General Republic of South Africa www.agsa.co.za
Po Box 2684 Nelspruit 1200 Mpumalanga Docex 39 Tel:+27 (0) 13 755 4735/6/7/9 Fax: +27 (0)13 755 4738

AUDITOR-GENERAL

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed

Business Executive: Mpumalanga

Auditor-General Republic of South Africa www.agsa.co.za
Po Box 2684 Nelspruit 1200 Mpumalanga Docex 39 Tel:+27 (0) 13 755 4735/6/7/9 Fax: +27 (0)13 755 4738

REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE UMJINDI LOCAL MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Umjindi Local Municipality (municipality) which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the chief financial officer's report, as set out on pages XX to XX.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:

 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the Standards of Generally Recognised Accounting Practices (GRAP) and Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of *General Notices 991* and *992 of 2005*, as set out in accounting policy note 1.

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Umjindi Local Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of *General Notices 991* and *992 of 2005*, as set out in accounting policy note 1 and in the manner required by the MFMA and DoRA.

OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements.

Matters of governance

10. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	X	
• The audit committee operates in accordance with approved, written terms of reference.	X	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	X	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	X	
• The internal audit function operates in terms of an approved internal audit plan.	X	
• The internal audit function substantially fulfilled its responsibilities for the	X	

Matter of governance	Yes	No
year, as set out in section 165(2) of the MFMA.		
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	X	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.		X
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.	X	
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	X	
• The prior year's external audit recommendations have been substantially implemented.	X	
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	X	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	X	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	X	

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages xx to xx.

Responsibility of the accounting officer for the performance information

12. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

Annual performance report

16. The municipality did not submit the annual performance report of the municipality prepared by the municipality in terms of section 46 of the MSA, as required by section 121(3)(c) of the MFMA for audit purposes.

APPRECIATION

17. The assistance rendered by the staff of the municipality during the audit is sincerely appreciated.

Auditor-General

Nelspruit

28 November 2008

AUDITOR-GENERAL

UMJINDI LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 34, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Ms S.F.Mnisi
Municipal Manager

28/08/08
Date

10 DEC 2008
POSBUS / P.O. BOX 33

UMJINDI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		110,921,594	112,802,603
Government Grant Reserve	34	-	-
Self-insurance reserve	34	2,441,998	2,500,975
Accumulated Surplus		108,479,597	110,301,628
Non-current liabilities			
Interest bearing borrowings	2	7,685,132	8,328,162
Current liabilities		33,590,555	37,752,894
Consumer deposits	3	1,843,956	1,697,291
Provisions	4	275,123	214,855
Creditors	5	9,549,366	17,240,449
VAT	5.1	5,467,282	2,425,365
Unspent conditional grants and receipts	6	14,291,760	6,509,099
Bank overdraft	14	1,722,676	6,890,461
Current portion of long-term liabilities	2	540,372	2,775,372
Total Net Assets and Liabilities		***152,197,281***	***158,883,659***
ASSETS			
Non-current assets		137,292,773	135,515,991
Property, plant and equipment	7	136,382,320	133,145,942
Investments	8	881,612	2,057,584
Long-term receivables	9	28,841	302,466
Current assets		14,904,507	23,367,667
Inventory	10	2,194,959	2,093,012
Consumer debtors	11	6,827,707	13,027,599
Other debtors	12	257	42,134
Current portion of long-term debtors	9	5,000	-
Call investment deposits	13	3,793,033	8,191,651
Bank balances and cash	14	13,570	13,270
Total Assets		***152,197,281***	***158,883,659***

GE-OUDIT
AUDITED
NAAM/NAME
28/11/2008
DATUM/DATE

UMJINDI LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED ON 30 JUNE 2008

	Note	2008 R	2007 R
REVENUE			
Property rates	15	10,527,760	10,151,754
Service charges	16	51,211,848	47,857,509
Rental of facilities and equipment		295,547	437,051
Interest earned - external investments		1,454,278	1,309,453
Interest earned - outstanding debtors		1,142,864	934,416
Fines		215,479	240,294
Licences and permits		2,673,557	1,039,931
Government grants and subsidies	17	34,507,022	27,479,988
Income from agency services(Health subsidies)			615,000
Other income	18	3,752,365	5,244,381
Total Revenue		106,130,720	95,309,777
EXPENDITURE			
Employee related costs	19	39,185,767	33,531,645
Remuneration of Councillors	20	3,316,858	3,050,604
Bad debts		7,101,321	1,999,992
Depreciation		10,824,080	10,637,288
Repairs and maintenance		6,812,139	6,889,700
Interest paid	21	1,219,845	1,443,342
Loss on disposal of property,plant and equipment		88,547	91,827
Bulk purchases	22	13,099,637	14,313,656
General expenses	23	27,442,891	19,746,005
Total Expenditure		109,010,089	91,714,061
SURPLUS/(DEFICIT) FOR THE YEAR		(2,879,369)	3,595,716

Refer to Appendix E(1) for the comparison with the approved budget



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UMJINDI LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Pre - GAMAP Reserves and Funds	Self Insurance Reserve	Government Grant Reserve	Housing Reserve Fund	Accumulated Surplus	Total
	R	R	R	R	R	R
2007						
Balance at 1 July 2006	-	2 286 125		-	112 969 769	115 255 894
Fair value adjustment of fixed assets						-
Implementation of GAMAP (note 24)	-					-
Restated balance	-	2 286 125	-	-	112 969 769	115 255 894
Net surplus for the year					3 595 716	3 595 716
Adjustment					1 901 050	1 901 050
Transfers to reserves		214 850			(214 850)	-
Transfers to reserves			13 279 163		(13 279 163)	-
Balance at 30 June 2007	-	2 500 975	13 279 163	-	104 972 622	120 752 860
2008						
Correction of error (Note 33)					(7 950 057)	(7 950 057)
Reserves Correction - Government Grant			(13 279 163)		5 279 163	
Restated balance		2 500 975			110 301 628	112 802 603
Net surplus for the year					(2 879 369)	(2 879 369)
Transfer Government Grant Reserves						
Offsetting of Depreciation						
Transfer to reserves		(58 979)			58 979	
Adjustments (Note 33)					998 360	998 360
Capital grants used to purchase PPE						
Donated/contributed PPE						
Balance at 30 June 2008		2 441 996			108 479 597	110 921 594

GE-OUDIT
AUDITED
NAAM/NAME
28/11/2008
DATUM/DATE

UMJINDI LOCAL MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		108,876,509	91,603,558
Cash paid to suppliers and employees		(93,938,561)	(82,534,097)
Cash generated from/(utilised in) operations	24	14,937,948	9,066,461
Interest received		2,597,142	2,243,870
Interest paid		(1,219,849)	(1,443,342)
NET CASH FROM OPERATING ACTIVITIES		**16,315,241**	**9,866,988**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(14,099,005)	(17,729,952)
Decrease in non-current receivables balance		199,624	114,422
Decrease in investments		5,584,591	(5,560,841)
NET CASH FROM INVESTING ACTIVITIES		**(8,315,791)**	**(23,176,371)**
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		(2,978,030)	1,555,959
Increase in consumer deposits		146,664	81,253
NET CASH FROM FINANCING ACTIVITIES		**(2,831,366)**	**1,637,212**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**5,168,085**	**(11,672,171)**
Cash and cash equivalents at the beginning of the year		(6,877,191)	4,794,981
Cash and cash equivalents at the end of the year	25	(1,709,106)	(6,877,191)



1 SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These standards are summarised as follows: -

GRAP 01	Presentation of financial statements
GRAP 02	Cash flow statements
GRAP 03	estimates and errors
GAMAP 04	The effects of changes in foreign exchange rates
GAMAP 06	for controlled entities
GAMAP 07	Accounting for investments in associates
GAMAP 08	Financial reporting of interests in joint ventures
GAMAP 09	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, plant and equipment
GAMAP 19	assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or part of these standards. Details of the exemption applicable to the municipality have been provided in the notes to the annual financial statements.

Consistency in the presentation of the annual financial statements is ensured where the municipality received a qualification in the 2005/06 financial year for not complying with a standard or aspect within a standard and the standard or aspect within the standard has now been exempt by amending the 2005/06 accounting policy to reflect the fact that it did not comply with the standard or aspect within the standard.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis

1.4 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.



1.5 RESERVES

1.5.1 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of goverament grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.5.2 Self-Insurance Reserve

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally or claims less than the access amount as determined in the insurance policy. The balance of the Self-Insurance Reserve is invested in short-term cash investments.

Claims are settled by transferring a corresponding amount from the Self-Insurance Reserve to the accumulated surplus.

The Government Grant Reserve was written back to Accumulated Surplus as there is no GRAP standards supporting the existance of this reserve.

1.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation, except land and buildings, which are revalued as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the estimated useful lives of the assets. The depreciable amount is determined after deducting the residual value of the assets from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. The annual depreciation rates are based on the following estimated asset lives:-

Infrastructure	*Years*	*Other*	*Years*
Roads and Paving	10 - 15	Buildings	30
Electricity	20 - 30	Vehicles (max 120 000km)	5
Water	15 - 20	Office equipment	3
Sewerage	15 - 20	Furniture and fittings	7
		Specialised vehicles	5
Community	*Years*	Other equipment	5
Buildings	30		
Recreational Facilities	20		
Parks and gardens	20		
Security	3		



1.6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Accounting Policy for the 2005/06 financial year
The carrying values of items of property, plant and equipment have not been adjusted with impairment losses as no impairment testing was done. The useful lives and residual values of assets classified as property, plant and equipment were not reviewed at financial year end.

No property was classified and disclosed as investment property. Land and buildings were recognised as items of property, plant and equipment.

Accounting Policy for the 2006/07 financial year

In terms of the exemptions granted by the Minister of Finance no review of useful life of items of PPE or the depreciation method applied to PPE was done as is required by GAMAP 17. No impairment testing was done for non-cash generating assets as well as cash generating assets due to the application of an exemption of IAS 36/AC 128 granted in Gazette 30013.

The municipality is exempt from IAS 40 (AC 135) as it has not recognised any property as investment property but as property, plant and equipment in terms of GAMAP 17. It only recognises its investment property where it is certain that it meets the definition of investment property.

1.7 INVESTMENTS

Financial Instruments

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Accounting Policy for the 2005/06 financial year
No impairment testing of assets is done to determine impairment losses that should be recognised as an expense in the period that the impairment is identified.

Accounting Policy for the 2006/07 financial year
The municipality did not test for impairment of assets as it is exempted from IAS 36 (AC126) entirely.

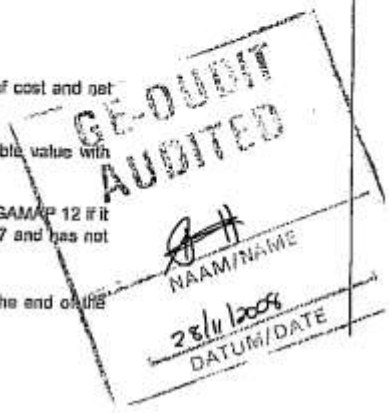
1.8 INVENTORIES

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average method.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

The municipality is exempt from recognising an immovable capital assets as inventory in terms of GAMAP 12 if it has recognised immovable capital assets as property, plant and equipment in terms of GAMAP 17 and has not satisfied itself that the item is in actual fact inventory.

The municipality is exempt from recognising and disclosing self-purified water stock on hand at the end of the financial year as inventory in terms of GAMAP 12.



1.9 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.10 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

Accounting Policy for the 2005/06 financial year
Operating lease payments are recognised on the basis of the cash flows in the lease agreement.

Accounting Policy for the 2006/07 financial year
The municipality is exempt from recognising operating lease payments on a straight line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17).

1.11 TRADE CREDITORS

Trade creditors are stated at cost.

1.12 REVENUE RECOGNITION

1.12.1 Revenue from Exchange Transactions

Rendering of services (for example licence fees, permits, electricity, sewerage and water connections)

Revenue arising from the rendering of services and the application of the approved tariff of charges is recognised by reference to the percentage of completion as at the reporting date. Where the percentage of completion cannot be measured reliably, revenue from the rendering of services and the application of the approved tariff of charges is recognised to the extent of expenses are recoverable.

Revenue from agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Sale of goods

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Service charges

Service charges relating to electricity and water are based on consumption metered and an estimate of consumption between the latest meter reading date and the reporting date.

In respect of consumption metered, meters are read on a monthly basis and are recognised as revenue when billed. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.



In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on based on the average monthly consumption of consumers.

Revenue from the sale of electricity prepaid meter cards are recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Operating lease revenue is recognised on a straight-line basis over the lease term.

Interest, royalties and dividends

Interest is recognised on a time proportion basis.

Other grants and donations

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

1.12 REVENUE RECOGNITION (CONTINED)

1.12.2 Revenue from non-exchange transactions

Rates (including collection charges and penalty interest)

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected..

Other

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Accounting Policy for the 2005/06 financial year
No initial measurement of fair value by discounting all future receipts using an imputed rate of interest is done. Revenue from the sale of goods and services are recognised at its face value/cost.

Accounting Policy for the 2006/07 financial year
The municipality is exempted from paragraph 12 of GAMAP 9 in initial measurement of fair value of revenue by discounting all future receipts using an imputed rate of interest. The initial recognition at fair value in accordance with GAMAP 9 and IAS 29/AC 133 is exempted. The municipality recognised revenue from the sale of goods and services at its face value. Any payables from the purchase of goods and services are also recognised at face

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1.13 BORROWING COSTS (EXPENSED)

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.14 PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at the reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

1.15 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.16 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entitling them to the contributions.

1.17 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance

1.18 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.



1.19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 FOREIGN CURRENCIES

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

1.21 COMPARATIVE INFORMATION

1.21.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

1.21.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.



	2008 R	2007 R
2. INTEREST BEARING BORROWINGS		
Local Registered Stock Loans	65 000	2 407 000
Annuity Loans	7 707 622	8 182 995
	7 772 622	10 589 995
Less : Current portion transferred to current liabilities	(540 372)	(2 775 372)
Local Registered Stock Loans	(65 000)	(2 300 000)
Annuity Loans	(475 372)	(475 372)
Capitalised Lease Assets	352 882	513 540
Note 2007: Correction of Finance Leases previously recorded as operating leases, to the amount of R191 373. Refer Note 33		
Total External Loans	7 585 132	8 328 162
Refer to Appendix A for more detail on long-term liabilities.		
3. CONSUMER DEPOSITS		
Electricity and Water	1 843 556	1 697 291
Total Consumer Deposits	1 843 556	1 697 291
No interest is being paid to consumers deposits held by council.		
Guarantees held in lieu of Electricity and Water Deposits	480 480	402 960
4. PROVISIONS		
Performance bonus	275 123	214 855
Performance bonusses are paid one year in arrears as the assessment of eligible employees has not taken place at the reporting date and no present obligations exist		
The movement is reconciled as follows.		
Balance at beginning of year	214 855	-
Contributions to provision	275 123	214 855
Expenditure incurred	(214 855)	-
Balance at year end	275 123	214 855
Note 2007: A correction of error adjustment was done to Leave Pay that was incorrectly stated as a Provision. Re-stated as an Accrual and Creditors. Refer Note 33		
In terms of exemptions granted in Gazette No 30013 dated 29 June 2007: No provision for post retirement benefits in respect of medical aid contributions was made.		



		2008 R	2007 R
5. CREDITORS			
Trade creditors		4 118 298	9 616 881
Accruals on trade creditors		2 552 033	3 216 348
Accrual Leave Pay		1 365 149	1 326 857
Payments received in advance (DebtorsNote 12)			626 834
Retentions		1 481 466	776 570
Municipal stores purchases		-	-
Sundry Deposits		31 528	20 210
Salary clearances		-	-
Unidentified bank deposits		-	473 733
VAT	See note 5.1	-	2 738 773
Other creditors		891	1 178 916
Less: Adjustment to 2007 with regards to VAT			(2 738 773)
		9 549 366	17 240 449

In terms of the exemptions granted in Gazette No. 30013 dated 29 June 2007, Creditors were accounted for at nominal value and no discounting was done.

Note 2007: A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R2 552 033. Refer Note 33

Note 2007: A correction of error adjustment was done to Leave Pay that was incorrectly stated as a Provision. Re-stated as an Accrual and Creditors. Refer Note 33

5.1 VAT

	2008	2007
Vat (Receivable)/Payable	5 780 690	2 738 773
Adjustment Vat Claimable - Eskom Underbilling 2006/8	(313 408)	(313 408)
	5 467 282	2 425 365

VAT is payable on the receipt basis. Only once payment is received from debtors is VAT paid over to SARS.

Note 2007: A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R313 408. Refer Note 33

6. UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Other Conditional Receipts		
MIG Grant	6 322 261	2 203 720
Finance Management Grant (FMG)	15 685	
DME	7 164 536	3 392 536
PHP Housing project	789 296	912 841
Total Conditional Grants and Receipts	14 291 780	6 509 099

See Note 17 for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilised.

Note 2007: A correction of error adjustment was made to Grant Creditors in the amount of R5 596 285. Refer note 33



IOPERTY, PLANT & EQUIPMENT

econciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other	Capitalised Leased Assets	Total
	R	R	R	R	R		R
arrying values at 1 July 2007	23 803 725	92 441 867	7 878 196	42 806	8 680 881	398 367	133 146 842
ost	29 403 080	115 871 892	9 732 206	42 806	30 864 343	782 315	189 578 682
ccumulated Depreciation	(5 599 355)	(23 229 995)	(1 854 010)		(22 383 462)	(383 948)	(53 430 950)
cquisitions	-	12 578 975	-	-	1 520 027		14 099 006
epreciation	(950 908)	(8 970 740)	(392 809)	-	(2 496 918)	(12 705)	(10 824 080)
arrying value of disposals				-	(38 547)	-	(38 547)
Cost					(452 782)		(452 782)
Accumulated depreciation					414 235		414 235
arrying values at 30 June 2008	22 852 817	96 050 105	7 485 387	42 806	7 565 544	385 662	136 382 320
ost	29 403 080	128 450 867	9 732 206	42 806	32 031 578	782 315	200 222 852
ccumulated Depreciation	(6 550 263)	(32 400 762)	(2 246 819)		(24 466 034)	(396 654)	(63 840 532)
econciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Other		Total
arrying values at 1 July 2006	24 391 307	82 665 724	7 957 270	42 806	10 779 632	398 367	126 146 106
ost	29 001 432	89 579 836	8 426 619	42 806	30 314 670	782 315	169 128 378
ccumulated Depreciation	(4 700 125)	(16 912 912)	(1 747 349)		(19 535 038)	(383 948)	(42 983 272)
cquisitions	401 658	18 003 195	303 687	-	931 211		17 729 952
arrying value of disposals							-
epreciation	(889 240)	(8 317 053)	(382 981)	-	(3 036 036)		(10 837 299)
arrying value of disposals				-	(91 827)		(91 827)
Cost					(281 738)		(281 738)
Accumulated depreciation					189 911		189 911
arrying values at 30 June 2007	23 803 725	92 441 867	7 878 196	42 806	8 680 881	398 367	133 146 842
ost	29 403 080	115 871 892	9 732 206	42 806	30 864 343	782 315	189 578 682
ccumulated Depreciation	(5 599 355)	(23 229 995)	(1 854 010)		(22 383 462)	(383 948)	(53 430 950)

fer to Appendix B for more detail on property, plant and equipment, including those in the process of been constructed.

e Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will alculate accumulated depreciation once this exercise has been completed. The initial estimated completion for this process was for 30 June 2008. Due to capacity contraints this ald not be achieved, but the municipality appointed a service provider to develop a detailed roadmap that is currently being implemented to enable the successful implementation of ocesses to identify, record, value and manage infrastructure assets. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has en estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records. Furthermore, the Municipality has not sessed whether infrastructure and community assets are impaired. Assessment of impairments will be also be finalised by 30 June 2009.

terms of the exemptions the useful lives and depreciation methods of assets were not reviewed and recognised in the Annual Financial Statements. It is expected that an assessment this regard will be done by 30 June 2009.

terms of the exemptions investment properties have not been identified and are included as Land and Buildings within Property, Plant and Equipment. Investment Properties will only able to be accounted for once all properties and the usage thereof have been identified and determined.

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		2008 R	2007 R
8. INVESTMENTS			
Financial Instruments			
FNB Venlam Geuranlee, Transferred From Guarante	Note 27.5	815 849	
Current Year Interest Received		65 763	
Fixed Deposits (Sinking Fund)			2 067 584
TOTAL		881 612	2 067 584
Fixed deposits (Sinking Fund) have been ring-fenced for the purposes of repaying long-term liabilities which was redeemed in 31 December 2007.			
Average rate of return on investments		8%	
9. LONG-TERM RECEIVABLES			
Car loans		96 183	204 116
New Service connections		7 658	98 266
Sewerage connection loans (SPCA)		-	2 064
		103 842	302 466
Less : Current portion transferred to current receivables		75 001	-
Car loans		67 342	-
New Service connections		7 658	-
Sewerage connection loans (SPCA)			-
Total		28 841	302 466
CAR LOANS			
Senior staff were entitled to car loans which attract interest at 8% and 8,5% per annum and which are repayable over a maximum period of 8 years. No new car loans were granted as from 1 July 2004 according to the MFMA. The loans are repayable in the year			
10. INVENTORY			
Municipal stores – at cost		2 194 959	2 093 012
Total Inventory		2 194 959	2 093 012
In terms of Gazette No. 30013 dated 29 June 2007, we did not recognise and disclose water stock on hand as at 30 June 2008.			

11. CONSUMER DEBTORS

As at 30 June 2008	Gross Balances R	Provision for Bad Debts R	Net Balance R
Service debtors			
Tax (Rates)	3 186 544	(2 136 420)	1 050 124
Electricity	2 087 734	(1 399 722)	686 012
Water	3 575 727	(2 397 348)	1 178 379
Refuse	2 640 832	(1 770 547)	870 285
Sewerage	1 743 451	(1 168 897)	574 553
Loan debtors	372 533	(249 765)	122 768
Sundry accounts	554 020	(371 443)	182 577
VAT	1 609 924	(1 079 374)	530 550
Sundry accounts(non tax)	11 016 461	(7 386 002)	3 630 459
Plus:Debtor payments receive in advance (Note4)			-
Total	28 787 225	(17 959 518)	8 827 707



		2008 R	2007 R
As at 30 June 2007	Gross Balances R	Provision for Bad Debts R	Net Balance R
Service debtors			
Tax (Rates)	2 534 697	(1 074 968)	1 459 729
Electricity	1 957 470	(698 400)	1 259 070
Water	3 203 065	(1 039 524)	2 163 541
Refuse	2 084 517	(876 882)	1 207 635
Sewerage	1 329 733	(623 931)	705 802
Loan debtors	358 567	-	358 567
Sundry accounts	837 997	-	837 997
VAT	1 340 710	-	1 340 710
Sundry accounts(non tax)	10 031 889	(6 964 275)	3 067 614
Plus:Debtor payments receive in advance (Note4)	626 934	-	626 934
Total	24 305 579	(11 277 980)	13 027 599

	2008	2007
Rates: Ageing		
Current (0 – 30 days)	1 014 161	861 034
31 - 60 Days	157 804	132 592
61 - 90 Days	144 973	140 642
91 - 120 Days	123 705	110 102
121 - 365(+) Days	1 745 900	1 190 327
Total	3 186 544	2 534 697
(Electricity, Water,Refuse and Seiverage): Ageing		
Current (0 – 30 days)	3 776 073	3 993 384
31 - 60 Days	498 159	425 885
61 - 90 Days	422 876	349 103
91 - 120 Days	384 642	304 054
121 - 365(+) Days	4 965 994	3 602 355
Total	10 047 743	8 674 786
Sundry accounts: Ageing		
Current (0 – 30 days)	160 001	1 105 385
31 - 60 Days	191 947	348 583
61 - 90 Days	279 673	173 540
91 - 120 Days	219 267	586 191
121 - 365(+) Days	10 719 610	10 346 484
Total	11 570 498	12 660 183
Reconciliation of the bad debt provision		
Balance at beginning of the year	11 277 980	12 184 496
Contributions to provision	6 681 538	1 999 991
Bad debts written off against provision		(2 906 507)
Reversal of provision		
Balance at end of year	17 959 518	11 277 980

Debtors were disclosed at nominal value net of provision for bad debts and no discounting in terms of the exemptions granted in Gazette No 30013 dated 29 June 2007, was done.

12. OTHER DEBTORS

Sundry debtors	237	42 134
Total Other Debtors	237	42 134

13. CALL INVESTMENT DEPOSITS

Call deposits	3 793 033	8 191 651
Average rate of return on call investments, without taking withdrawals into account	2%	



	2008 R	2007 R
14. BANK, CASH AND OVERDRAFT BALANCES		
The Municipality has the following bank account: -		
Current Account (Primary Bank Account)		
FIRST NATIONAL BANK -Barberton Branch (270152) Account Number (51600025441)		
Cash book balance at beginning of year – (overdrawn)	(6 890 461)	4 526 400
Cash book balance at end of year - (overdrawn)	(1 722 676)	(6 890 461)
Bank statement balance at beginning of year - (overdrawn)	(483 725)	7 849 287
Bank statement balance at end of year - positive	5 385 161	(483 725)
Bank account (Accrued interest)		
Petty cash balance at beginning of year	10 500	10 500
Petty cash balance at end of year	10 500	10 500
Cash floats balance at beginning of year	2 770	2 770
Additional float added - Community Services	300	
Cash floats balance at end of year	3 070	2 770

	2008	2007
15. PROPERTY RATES		
Actual		
Residential	6 020 356	5 612 844
Commercial	3 652 322	3 456 645
State	1 147 041	1 082 265
Total Assessment Rates	10 827 790	10 151 754
Valuations	*July 2008 R000's*	*July 2007 R000's*
Residential	54 150 350	5 612 844
Commercial	17 918 860	3 456 645
State	7 606 820	1 082 265
Total Property Valuations	79 676 030	10 151 754

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2004. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of R0.1923 (2006: R0.1800) is applied to property valuations to determine assessment rates. Rebates of 20% are granted to state property owners and 45% for all residential property owners. Rates are levied on amonthly basis on all property owners. Interest at 8% per annum is levied on outstanding rates.

16. SERVICE CHARGES		
Sale of electricity	26 360 180	26 453 050
Sale of water	13 115 286	12 249 999
Refuse removal	5 583 606	5 264 548
Sewerage and sanitation charges	4 132 793	3 899 912
Total Service Charges	51 211 868	47 857 509



	2008 R	2007 R
17. GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share (IGG)	17 572 887	15 377 553
Finance Management Grant (FMG)	484 315	500 000
MIG Grant	10 977 018	7 029 568
DME	4 307 000	4 361 000
PHP Housing project		85 309
Municipal Systems Improvement Grant	734 000	-
Emergency water supply	-	75 306
LEDIDP EDM grant	-	51 252
Library - Furniture Grant	19 838	-
Heritage Grant	200 000	-
Human Settlement Grant	295 499	-
Municipal Manager - Ward Committee Expenditure Grant	15 484	-
Total Government Grant and Subsidies	34 607 022	27 479 988
Correction Unspend grant Creditors 2007		-5 996 260
Total Government Grant and Subsidies Transferred to Income	34 607 022	21 083 728

Note 3007: A correction of error adjustment was done to restate the Unspend Grant Creditors incorrectly disclosed in the amount of R 5 996 258 .42 Refer Note 33

17.1 Equitable Share
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All residential consumers receive a subsidy for 6kl water ad 50kwh electricity (free basic services). All registered and approved indigents receive a subsidy for refuse removal, sewer and assessment rates.
Included in the equitable share is an amount of R594 000 that was a special contribution for councillors remuneration

17.2 Finance Management Grant

Balance unspent at beginning of year	-	-
Current year receipts	500 000	500 000
Conditions met - transferred to revenue	(484 315)	(500 000)
Conditions still to be met - transferred to liabilities	15 685	-

This grant was used to for financial support and debt collection intervention.

17.3 MIG Grant

Balance unspent at beginning of year	2 203 720	
Current year receipts	15 095 559	7 029 568
Conditions met - transferred to revenue	(10 977 018)	(4 825 848)
Conditions still to be met - transferred to liabilities	6 322 261	2 203 720

This grant was used to construct roads, water and sewerage infrastructure as part of the upgrading of informal settlement areas.
No funds were withheld.

17.4 National Electricity Regulator (DME)

Balance unspent at beginning of year	3 392 538	-
Current year receipts	8 079 000	4 376 779
Conditions met - transferred to revenue	(4 307 000)	(984 241)
Conditions still to be met - transferred to liabilities (see note 6)	7 164 538	3 392 538

The grant was utilised for electrification in the rural areas. No funds were withheld.



	2008 R	2007 R
17.5 PHP Housing Project		
Balance unspent at beginning of year	912 841	528 296
Current year receipts		469 854
Conditions met - already in revenue	(123 545)	(85 309)
Conditions still to be met - transferred to liabilities (see note 6)	789 296	912 841

Umjindi municipality fulfils the role as account administrator for the Department of Housing:Directorate Urban renewal human settlement & redevelopment on the PHP (Peoples Housing Project). Monthly financial reports are submitted to the Department. The conditions of the grat were met

17.6 Emergency Water Supply

Balance unspent at beginning of year	-	75 306
Current year receipts	-	-
Conditions met - transferred to revenue	-	(75 306)
Conditions still to be met - transferred to liabilities	-	-

The grant was received from the Department of Water Affairs and Forestry (DWAF) and have been earmarked for emergency water supply in disaser declared areas. The conditions of the grant were met.

GOVERNMENT GRANTS AND SUBSIDIES

17.7 LEDIDP (EDM)

Balance unspent at beginning of year	-	51 252
Current year receipts	-	-
Conditions met - transferred to revenue	-	(51 252)
Conditions still to be met - transferred to liabilities	-	-

The grant was received from Ehlanzeni district municipality on the submission of busines plans for the implementation of the objectives and strategies within the institutional capacity of the LED unit of Council. The conditions of the grant have been met.

17.8 MSIG - Municipal Systems Improvement Grant

Balance unspent at beginning of year	-	-
Current year receipts	734 000	-
Conditions met - transferred to revenue	(734 000)	-
Conditions still to be met - transferred to liabilities	-	-

The grant was received for utilisation to improvements of municipal systems, for example Property Rates Act, Valuation Roll, Asset Register and Ward Committees

18. OTHER INCOME		
Other Income		
Sale of property	3 752 355	5 244 381
Total Other Income	3 752 355	5 244 381



	2008 R	2007 R
19. EMPLOYEE RELATED COSTS		
Employee related costs - Salaries and Wages	26 311 829	23 401 622
Employee related costs - Contributions for UIF, pensions and medical aids	6 440 543	5 502 211
Travel allowance	1 843 994	1 341 525
Housing benefits and allowances	1 034 485	136 008
Overtime payments	1 664 862	669 109
Standby allowances	328 060	236 040
Leave Bonuses	1 547 119	1 400 846
Performance bonus (Section 57 employees)	214 855	624 284
Total Employee Related Costs	39 185 747	33 531 645
The following is included in the employee related costs:		
Remuneration of the Municipal Manager		
Annual Remuneration	738 257	668 124
Performance Bonuses	85 139	85 139
Total	823 396	753 263

Remuneration of the Chief Finance Officer and Individual Executive Directors

30 June 2008	Deputy Municipal Manager R	Chief Financial Officer	Director Electrical Services R
Annual Remuneration	-	650 000	606 239
Performance Bonuses	-	-	64 858
Total	-	650 000	671 097

	Director Corporate Services R	Director Community Services	Director Civil Services R
Annual Remuneration	-	606 239	606 239
Performance Bonuses	-	64 858	-
	-	671 097	606 239

30 June 2007	Deputy Municipal Manager R	Chief Financial Officer	Director Electrical Services R
Annual Remuneration	-	259 514	548 359
Performance Bonuses	-	64 858	64 858
	-	324 372	613 217

	Director Corporate Services R	Director Community Services	Director Civil Services R
Annual Remuneration	548 647	548 336	48 360
Performance Bonuses	-	64 858	-
	548 647	613 194	48 360



	2008 R	2007 R
20. REMUNERATION OF COUNCILLORS		
Executive Mayor	437 379	455 078
Speaker	410 729	393 559
Executive / Mayoral Committee Members (2)	709 470	726 230
Councillors (10)	1 439 331	1 485 737
Councillors' pension contribution	245 863	-
Councillors medical aid contributions	74 087	-
Total Councillors' Remuneration	3 316 858	3 060 604
In-kind Benefits		

The Executive Mayor, Speaker and Mayoral Committee Members are full-time as from March 2006. The Mayoral Committee is provided with office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.

21. INTEREST PAID		
Long-term liabilities	1 219 849	1 443 342
Bank overdrafts	-	-
Total Interest on External Borrowings	1 219 849	1 443 342
22. BULK PURCHASES		
Electricity	13 068 837	14 313 858
Electricity	13 068 837	14 313 858

Note 2007 A correction of error adjustment was made to the Accruals on Trade Creditors in the amount of R2 238 626.
Refer Note 33

23. GENERAL EXPENSES		
General Expenses	27 442 891	19 748 905

General expenses excluding remuneration of councillors and bulk electricity purchases

24. CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	(2 879 369)	3 555 716
Adjustment for:-		
Correction of Error affecting 2007 surplus	-	(7 950 057)
Bad debts	6 681 536	1 999 992
Contribution to Leave Pay	783 504	145 352
Contribution Provisions	275 123	(1 114 002)
Depreciation	10 824 080	10 637 268
Gain on disposal of property, plant and equipment	-	-
Loss on disposal of property, plant and equipment	38 547	91 827
GRAP/GAMAP conversion, Capitalisation of Leased Assets	-	115 173
Interest paid	1 219 849	1 443 342
Investment Income	(2 597 142)	(2 243 870)
Changes in working capital	14 348 130	6 720 761
(Increase)/decrease in inventories	(101 947)	(569 902)
(Increase)/decrease in debtors	(2 481 540)	(2 631 749)
(Increase)/decrease in other debtors	41 897	187 999
Increase/(decrease) in conditional grants and receipts	7 762 681	5 654 245
Increase/(decrease) in creditors	(7 691 084)	(2 920 259)
(Increase)/decrease in VAT balance	3 041 917	2 475 365
Cash generated by/(utilised in) operations	14 937 846	9 005 481



	2008 R	2007 R
25. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :		
Bank balances and cash		
Bank account (Accrued interest)	(1 722 576)	(6 890 461)
Petty cash	10 500	10 500
Cash Floats	3 070	2 770
Bank overdrafts		
Total cash and cash equivalents	(1 709 106)	(6 877 191)

	2008 R	2007 R
26. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities (see Note 2)	7 772 622	10 569 985
Used to finance property, plant and equipment – at cost		9 034 036
Sub- total	7 772 622	1 535 950
Cash set aside for the repayment of long-term liabilities		
Cash invested for repayment of long-term liabilities (see note 8)	7 772 622	1 535 949

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

27. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

27.1 VAT

Opening balance		
Current year payroll deductions	246 759	185 993
Amount paid - current year	(246 759)	(185 993)
Balance unpaid (included in creditors)		

27.2 Medical Aid Deductions

Opening balance		
Current year payroll deductions and Council Contributions	1 588 382	1 240 234
Amount paid - current year	(1 588 382)	(1 240 234)
Balance unpaid (included in creditors)		

27.3 Councillor's arrear consumer accounts

No Councillors had arrear accounts outstanding for more than 90 days.

27.4 Audit fees

Opening balance		
Current year audit fee	32 910	146 079
Amount paid - current year	(537 096)	(334 670)
Amount paid - previous years	387 988	221 701
Balance unpaid (included in creditors)	(116 198)	32 910



	2008 R	2007 R
27.5 Guarantee (Purchase of farm Venulam)		
Opening balance	-	770 845
Current year interest received		45 304
Amount paid - transferred to investment		(815 849)
Amount paid - previous years		
Balance as per bank statement	-	-

The investment is held as guarantee for a farm that was purchased by the municipality for the erection on RDP houses. Umjindi Municipality did bought the farm Venulam during 2004 for R700 000.00 where on 850 house holds was situated in an informal settlement.
Also See note 8

28. RETIREMENT BENEFIT INFORMATION

All Councillors and employees belong to 5 defined contribution retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. These valuations indicate that the funds are in a sound position.

29. COMPLIANCE WITH CHAPTER 11 OF THE LOCAL GOVERNMENT MINICIPAL FINANCE MANAGEMENT ACT,2003 (6 of 2003)

The Municipality did developed a supply chain management policy and was implemented as from 1 January 2006

30. COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexures E(1) and E(2).

31. EVENTS AFTER THE REPORTING DATE

The Municipality has agreed in principle to transfer its electricity function to the new Regional Electricity Distributor (RED). The date of transfer is still to be determined. The financial effect of this transfer is not yet known as the Municipality is uncertain as to what its share of the revenue of the RED will be or what the terms and conditions of the transfer will be. There are ongoing discussions with the management of RED and EDI Holdings, which is the responsible for the implementation of REDS nationally.



		2008 R	2007 R
32.	**UNAUTHORISED,IRREGULAR,FRUITLESS AND WASTEFULL EXPENDITURE**		
	32.1 Unauthorised expenditure		
	Reconciliation of unauthorised expenditure		
	Opening balance		
	Fruitless and wasteful expenditure current year		29 824
	Condoned or written off by Council		-
	Condoned to be written back by SARS		-
	Back payment from SARS is being availed	-	29 824
	Incident Unbudgeted expenditure Interest incurred on VAT return submitted late during September 2005 SARS has confirmed that they would reimburse Council the interest charged		
	32.2 Unauthorised expenditure		
	Reconciliation of unauthorised expenditure		
	Opening balance	-	
	Fruitless and wasteful expenditure current year		579
	Paid back by official responsible		-
	Full amount received back by council	-	-579
		-	-
	Incident Unbudgeted expenditure Interest incurred on late payments of RSC levies. The full amount was paid back to Council during the 2006/2007 financial year.		
	32.3 Irregular expenditure		
	Reconciliation of irregular expenditure		
	Opening balance		-
	Irregular expenditure current year	9 522	
	Paid back by official responsible	(9 522)	9 522
	Irregular expenditure awaiting to be paid back to council	-	9 522
	Incident The overpayment of a cell phone allowance to the Executive Mayor of R1655.00 for 9 months Council resolution FA 138 dated 19 February 2007		



33 CORRECTION OF ERROR

	2007 R
During the year the following adjustments were made to transactions whereby amounts were erroneously stated in previous financial periods:	
Transactions affecting Revaluation Reserve (Incorrect revaluation of land and buildings)	
Transactions affecting PPE (Incorrect revaluation of land and buildings)	
Transactions affecting Revaluation Reserve (Accumulated depreciation on buildings not adjusted)	
Transactions affecting PPE (Accumulated depreciation on buildings not adjusted)	
Transactions affecting Current Liabilities: Unspent Conditional Grants and Receipts (2006-2007: MIG)	(2 203 720.02)
Transactions affecting Current Liabilities: Unspent Conditional Grants and Receipts (2006-2007: DME)	(3 362 936.40)
Transactions affecting Creditors: Accrual (2005-2006: Eskom Underbilling)	(2 236 625.75)
Leave Pay incorrectly stated as Provision	1 328 857.08
Leave Pay re-allocated to Current Liabilities	(1 328 857.08)
Correction of Financial Leased Assets previously recorded as Operating Leases	0.00
Increase in Non Current Liabilities	513 539.86
Adjustments affecting PPE	(762 315.20)
Adjustments affecting Accumulated Depreciation	363 946.42
Adjustments affecting Accumulated Surplus	(115 173.08)
Adjusted to Accumulated Surplus	(7 950 057.27)
Net Effect on Accumulated Surplus	(7 950 057.27)

Eskom Underbilling:

It was discovered in 2007/8 that an amount of R2 552 033.36 (VAT inclusive) was underbilled by Eskom. According to the service agreement between the Council and Eskom, Eskom has the right to recover underbilled amounts up to 36 months.

Adjustment to Accruals	(866 315.47)
Adjustment to investments (Verulam Farm)	(815 849.51)
Indigent Debtors 2006/7	65 678.71
Prior year Adjustments to Creditors and Debtors	358 947.49
Transfer to Self Insurance Reserve	58 978.59
Prior Year Ajustments affecting Accumulated Surplus in current year	998 360.19

34 RESERVES

	2008	2007
Self-Insurance Reserve	2 441 998	2 500 975
Government Grant Reserve	-	13 279 163
Total Reserves	2 441 998	15 780 138

The Self-Insurance Reserves is fully invested in financial investment instruments.

Note : In terms of GRAP 1 - The Government Grant Reserve have been transfered retrospectively from 30 June 2007 to the Accumulated Surplus (Refer to Statement of Changes in Net Assets)

35 CONTINGENT LIABILITIES

LANDFILL SITES

The obligation for future rehabilitation of the Berberton Landfill Site could not be determined as at year end. However as this Landfill Site is not yet licensed and currently operating at its maximum capacity, the obligation for rehabilitation exists. Umjindi is currently in the process of addressing this issue.

36 FINANCE LEASES

Liabilities	
Within one year	128 185
Within two to five years	158 195
More than five years	-
Total	286 380
Future Finance Charges	
Within one year	5 855
Within two to five years	6 280
More than five years	-
Total	12 134
Present Value of Lease Obligations	
Within one year	122 330
Within two to five years	151 915
More than five years	



UMJINDI LOCAL MUNICIPALITY

APPENDIX A: SCHEDULE OF LONG TERM LIABILITIES AS AT 30 JUNE 2008

XTERNAL LOANS	Interest Rate	Loan No. (old)	Loan No. (new)	Redeemable	Balance at 30/06/2007	Received during year	Redeemed or written off during year	Balance at 30/06/2008
ONG TERM LOANS					R	R		R
TOCK LOANS :-								
MB Nominees	12.30%	L 99		31-Jan-08	42 000		42 000	-
MB Nominees	10.06%	L 105		31-Jan-09	65 000			65 000
TD Bank Nom.	16.75%	L 116		31-Dec-06	-			-
TD Bank Nom.	16.70%	L 117		31-Dec-07	2 300 000		2 300 000	-
				Sub - Total	2 407 000	-	2 342 000	65 000
NNUITY LOANS :-								
B S A	14.50%	L 121	11037	31-Mar-18	1 672 346		58 094	1 604 253
B S A	15.00%	L 122	13279	31-Mar-19	1 293 775		42 697	1 251 079
B S A	16.50%	L 124	13356	30-Sep-19	864 005		23 442	840 563
B S A	10.81%	L 25832	101751	31-Mar-15	1 919 675		160 840	1 758 835
B S A	9.08%	L 102202	102202	30-Sep-16	1 840 789		68 138	1 772 650
B S A	8.94%	L 102202	102202	30-Sep-11	592 404		112 162	480 242
tal long term loans				Sub - Total	8 182 995	-	475 372	7 707 622
					10 589 995	-	2 817 372	7 772 622

UMJINDI LOCAL MUNICIPALITY
APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JU 2008

Cost/Revaluation								Accumulated Depreciation						
Opening Balance	Asset Re-Classification	Restated Balance	Additions	Disposals	Closing Balance	Opening Balance	Asset Re-classification	Restated Balance	Depreciation	Disposals	Closing Balance	Carrying Value		
763 882,00		763 882,00			763 882,00			0,00			0,00	763 882,00		
28 639 268,00	(189 912,01)	28 449 355,99	0,00	0,00	28 449 355,99	5 599 365,00	2 462,77	5 601 827,77	880 608,07		6 482 435,84	21 966 920,15		
29 403 150,00	(189 912,01)	29 213 237,99	0,00	0,00	29 213 237,99	5 599 365,00	2 462,77	5 601 827,77	880 608,07	0,00	6 482 435,84	22 730 802,15		
29 791 515,39		29 791 515,39	4 858 662,51	0,00	34 650 177,90	7 334 866,37		7 334 866,37	2 641 090,98	0,00	9 975 957,35	24 674 220,55		
11 817 609,39		11 817 609,39	2 999 879,61	0,00	14 817 489,00	2 413 272,86		2 413 272,86	804 827,68	0,00	3 218 100,54	11 599 388,46		
4 885 848,00		4 885 848,00	0,00	0,00	4 885 848,00	1 609 214,54		1 609 214,54	244 946,64	0,00	1 854 161,18	3 031 686,82		
28 065 848,00	618,74	28 066 466,74	4 417 348,57	0,00	32 483 815,31	3 446 001,93	(547,91)	3 445 454,02	1 418 795,76	0,00	4 864 249,78	27 619 565,53		
41 087 950,46		41 087 950,46	202 649,33	0,00	41 290 599,79	8 426 403,88	337,86	8 426 403,88	2 060 886,55	0,00	10 487 290,43	30 803 309,36		
3 290,00		3 290,00	0,00	0,00	3 290,00	1 444,00		1 444,00	220,00	0,00	1 664,00	1 626,00		
116 671 560,24	618,74	116 672 178,98	12 678 972,02	0,00	129 351 150,99	28 928 984,82	(210,28)	28 928 774,67	8 070 720,36	0,00	36 999 495,03	92 351 655,96		
662 424,60		662 424,60	0,00	0,00	662 424,60	504 747,27		504 747,27	61 107,16	0,00	565 854,43	96 570,17		
618 660,00		618 660,00	0,00	0,00	618 660,00	135 332,00		135 332,00	20 612,32	0,00	155 944,32	462 715,68		
64 903,00		64 903,00	0,00	0,00	64 903,00	14 243,00		14 243,00	2 169,35		16 412,35	48 490,65		
8 388 198,00		8 388 198,00	0,00	0,00	8 388 198,00	1 199 888,00	(37 253,70)	1 162 634,30	305 920,16		1 468 554,46	6 919 643,54		
9 734 205,60	0,00	9 734 205,60	0,00	0,00	9 734 205,60	1 854 210,27	(37 253,70)	1 816 956,57	392 808,99	0,00	2 209 765,56	7 524 440,04		
42 606,00		42 606,00	0,00	0,00	42 606,00	0,00		0,00	0,00		0,00	42 606,00		
42 606,00	0,00	42 606,00	0,00	0,00	42 606,00	0,00	0,00	0,00	0,00	0,00	0,00	42 606,00		
1 828 327,31	(20 440,09)	1 635 887,30	112 953,30	0,00	1 748 840,60									
3 552 113,00		3 552 113,00	391 100,10	0,00	3 943 213,10	883 272,00		883 272,00						
6 156 799,57	20 440,09	6 177 239,66	254 240,10	0,00	6 431 479,76	3 198 157,00	(20 652,99)	962 619,01	338 855,37					
1 348 046,00		1 348 046,00	0,00	0,00	1 348 046,00	5 030 610,86		3 198 157,00	152 756,08					
569 927,05		569 927,05	0,00	0,00	569 927,05	876 435,19	20 651,93	8 051 162,89	486 299,31	0,00				
14 731 470,00	169 267,21	14 920 737,21	669 494,57	(462 792,00)	15 127 439,78	374 228,45		878 435,19	95 372,80	0,00				
2 849 858,33		2 849 858,33	72 239,31		2 922 097,64	9 109 546,00	34 729,10	374 228,45	22 698,18	0,00				
30 864 341,26	169 267,21	31 153 638,61	1 698 027,28	(462 792,00)	32 388 873,89	2 814 211,72		9 141 276,10	1 400 033,28	(414 245,06)				
						22 383 382,32	34 729,04	22 418 060,36	40 910,52					
762 316,20		762 316,20			762 316,20				2 498 917,84	(414 245,06)				
						383 948,42		383 948,42	12 705,25					
165 676 316,30	1,88	165 676 330,29	14 099 095,30	(462 792,00)	179 312 633,68	53 430 660,93	(274,14)	53 430 377,78	10 924 060,24	(414 245,06)	63 940 212,48	115 372 420,88		

APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2007 ACTUAL INCOME R	2007 ACTUAL EXPENDITURE R	2007 SURPUS/ (DEFICIT) R	SERVICE		2008 ACTUAL INCOME R	2008 ACTUAL EXPENDITURE R	2008 SURPUS/ (DEFICIT) R
176 955	7 429 010	-7 252 055	EXECUTIVE & COUNCIL		191 526	8 165 923	-7 974 396
39 507	-194 933	234 441	Mayors Office	13	26 433	485 085	-458 652
127 255	6 413 266	-6 286 011	Town Council	19	147 058	6 861 135	-6 713 177
10 193	171 464	-161 271	Municipal Manager	25	17 235	578 050	-560 814
-	836 490	-836 490	Dir Corporate Services	24	-	239 331	-239 331
-	202 704	-202 704	Dir (Municipal Managers Office)	27	-	2 322	-2 322
20 535 965	28 912 581	8 722 984	FINANCE & ADMINISTRATION		32 784 966	24 130 329	10 497 258
29 126 929	19 033 535	9 283 395	Finance		32 249 069	21 751 811	10 497 258
10 151 754	50 202	10 101 553	Assesment Rates	6	10 827 750	678 782	10 148 978
-	36 688	-36 688	Grants and Subsidies	7	-	155 081	-155 081
-	59 558	-59 558	Internal Audit	20	-	466	-466
18 975 166	19 867 087	-711 921	Financial Services	26	21 421 309	20 917 462	503 847
-	-	-	Financial Services Other		-		-
88	173 614	-173 526	Information Technology		175	283 365	
88	173 614	-173 526	IT Services	16	175	283 365	-283 190
508 557	905 433	-396 876	Other Admin		505 722	2 095 153	
-	401 995	-401 995	Publicity	18	-	1 091 874	-1 091 874
-	-	-	Appropriation Funding	187	-	-	-
-	7 096	-7 096	Security	29	-	73 975	-73 975
			Customer Care Office	35	-	163 012	-163 012
508 557	496 341	12 215	Stores	33	505 722	766 292	-260 570
3 484 603	2 907 469	577 134	PLANNING & DEVELOPMENT		1 460 112	6 099 233	-4 649 121
3 219 530	2 100	3 217 430	Town Estate	5	735 333	-	735 333
51 521	1 578 182	-1 526 661	IDP Unit	10	15 484	1 256 985	-1 241 501
100 428	725 795	-625 366	Civil Buildings	12	21 175	1 462 357	-1 441 182
		-	Land Administration	22	125 556	1 033 404	-907 848
			Project Management Unit	37	521 316	496 364	24 952
			LED Unit	38	-	642 566	-642 566
104 124	601 391	-497 267	Dir Civil Services	23	31 247	1 207 556	-1 176 309
755 157	1 555 137	-799 980	HEALTH		160 090	1 964 669	-1 804 579
755 157	1 555 137	-799 980	Clinics	8/8	160 090	1 964 669	-1 804 579
398 772	2 944 254	-2 545 482	COMMUNITY & SOCIAL SERVICES		588 262	3 892 692	-3 304 430
9 101	663 161	-654 061	Libraries and archives		232 915	820 293	-587 378
9 101	663 161	-654 061	Library	2	232 915	820 293	-587 378
122 932	1 106 150	-983 218	Cemeteries and Crematoriums		127 799	1 517 027	-1 389 229
122 932	1 106 150	-983 218	Cemetery	1	127 799	1 517 027	-1 389 229
266 740	1 174 943	-908 203	Aged Care		227 558	1 555 372	-1 327 813
3 198	505 743	-502 545	Dir Community Services	14	20 453	857 269	-836 817
89 218	-	89 218	50 BOBs houses	190	62 900	-	62 900
160 854	657 139	-496 285	Service Centre	191	131 161	690 456	-559 297
13 470	12 062	1 408	Pumula old age house	193	13 045	7 645	5 400
209 548	49 919	159 629	HOUSING		203 805	3 828	199 977
209 548	49 919	159 629	HOUSING	40	6 287	-	6 287
			FAMILY FLATS	192	135 742	-	135 742
			HOUSING UNIT	194	61 214	3 828	57 387
			HOUSING UNIT	195	562	-	562
243 480	1 852 357	-1 608 877	PUBLIC SAFETY		226 677	10 913 968	-10 687 290
243 480	1 682 597	-1 439 117	Police		226 677	2 042 547	-1 815 870
243 480	1 682 597	-1 439 117	Traffic Service	30	226 677	2 042 547	-1 815 870
-	152 911	-152 911	Fire		-	225 177	-225 177
-	152 911	-152 911	Fire Brigade	3	-	225 177	-225 177
-	16 849	-16 849	Civil Defence		-	8 646 244	-8 646 244
-	16 849	-16 849	Civil Defence	4	-	8 646 244	-8 646 244
24 277	4 428 085	-4 404 808	SPORT & RECREATION		548 541	4 881 691	-4 333 150
150	3 455 065	-3 454 905	Parks	17	520 150	3 364 642	-2 844 492
24 127	974 030	-949 903	Swimming Pool	28	28 391	1 517 050	-1 488 659
			ENVIROMENTAL PROTECTION				
5 332 215	3 726 113	1 606 102	WASTE MANAGEMENT		6 409 709	5 227 811	1 181 898
5 332 215	3 726 113	1 606 102	Refuse Removal	21	6 409 709	5 227 811	1 181 898
3 935 686	2 585 537	1 350 199	WASTE WATER MANAGEMENT		4 986 170	3 492 382	1 493 788
3 935 686	2 585 537	1 350 199	Sewerage	52	4 986 170	3 492 382	1 493 788
2 056 606	5 590 733	-3 732 126	ROAD TRANSPORT		7 315 242	5 630 931	-2 315 689
1 530 000	5 717 974	-4 187 974	Roads		4 680 000	8 214 456	-3 534 456
1 530 000	5 717 974	-4 187 974	Public Works-Roads	15	4 680 000	8 214 456	-3 534 456
1 328 693	872 759	455 846	Vehicle Licensing and Testing		2 835 242	1 416 475	1 218 766
1 328 600	872 759	455 846	Licences	11	2 835 242	1 416 475	1 218 766
17 923 599	7 827 083	10 096 515	WATER		17 965 231	10 061 786	7 944 045
17 907 130	7 817 833	10 089 297	Water	180	17 681 356	9 987 854	7 693 502
16 469	9 251	7 218	Meter Reading	34	224 475	73 932	150 543
31 434 893	18 659 415	12 775 478	ELECTRICITY		33 389 687	20 432 658	12 957 029
31 434 893	17 625 715	13 809 178	Electricity Distribution		33 389 687	18 997 665	14 392 022
31 434 893	17 625 715	13 809 178	Electricity	170	33 389 687	18 997 665	14 392 022
-	1 033 700	-1 033 700	Street Lightning		-	1 434 993	-1 434 993
-	1 033 700	-1 033 700	Street lightning	36	-	1 434 993	-1 434 993
-	23 426	-23 426	OTHER		-	112 189	-112 189
-	19 937	-19 937	Air Transport		-	-	-
-	19 937	-19 937	Aerodrome	31	-	-	-
-	3 489	-3 489	Other		-	112 189	-112 189
-	3 489	-3 489	Municipal Workshop	32	-	112 189	-112 189
98 413 366	81 492 121	14 921 245	Sub Total		108 130 720	109 010 009	-1 006 749
			Other		-	-	-

APPENDIX E(1): ACTUA RSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YE ENDED AT 30 JUNE 2008

IUE	2008 ACTUAL R	2008 BUDGET R	2008 ADJUSTMENT BUDGET R	2008 TOTAL BUDGET R	2008 VARIANCE R	2008 VARIANCE %	Explanation of Significant Variances greater than 10% versus Budget
y rates	10 827 760	10 744 183	-	10 744 183	83 577	0,78	
y rates-penalties imposed and collection charges	-	-	-	-	-		
charges	51 211 848	50 004 778	-	50 004 778	1 207 070	2.41	More services income received (Expansion of services)
ment grants and subsidies	34 607 022	26 785 000	6 000 000	34 785 000	(177 978)	-0.51	
earned-external investments	1 454 278	627 263	-	627 263	827 015	131.85	More interest earned on external investments
earned-outstanding debtors	1 142 864	871 044	-	871 044	271 820	31.21	More interest levied on outstanding debtors(Increasing of Debtors
of facilities and equipment	295 547	501 324	-	501 324	(205 777)	-41.05	Rent of council's property not materilised
ines	213 708	541 932	-	541 932	(328 226)	-60.57	Not all traffic fines issued materilised
	1 772	2 359	-	2 359	(587)	-24.87	Not all fines issued materilised
s and permits	2 823 567	1 405 271	-	1 405 271	1 218 296	86.69	More vehicles (Natis) registered which lead to more income
from agency services	-	465 644	-	465 644	(465 644)	-100.00	No Health subsidies on clinics received
ontributions,donated/contributed PPE	-	-	-	-	-	0.00	
n disposal of property,plant and equipment	739 825	5 480 000	-	5 480 000	(4 740 175)	100.00	Selling of stands (Ext 12) not materilised
ncome	3 012 531	3 401 989	850 000	4 251 989	(1 239 458)	-29.15	Not all income matrilised as budgeted
evenue	106 130 720	102 830 787	6 850 000	109 680 787	-3 550 067		

DITURE	2008 ACTUAL R	2008 BUDGET R	2008 ADJUSTMENT BUDGET R	2008 TOTAL BUDGET R	2008 VARIANCE R	2008 VARIANCE %	Explanation of Significant Variances greater than 10% versus Budget
e & Council	6 165 923	6 483 459	100 000	6 583 459	1 582 464	24.04	Less expenditure creates less debited out to other directorates
& Admin	24 130 329	12 975 430	-	12 975 430	11 154 899	85.97	Telephone calls,audit fees,admin costs on pre-paid elec,bank fees
) & Development	6 099 233	5 376 885	147 060	5 523 745	575 488	10.42	Repair and maintanace on municipal buildings
	1 964 609	1 961 476	-	1 961 476	3 193	0.16	
ity & Social Services	3 892 692	3 634 094	47 900	3 681 994	210 698	5.72	
	3 828	-	-	-	3 828	100.00	
afety	10 913 968	2 156 465	-	2 156 465	8 757 503	406.10	Wrong allocation of Asset depreciation
Recreation	4 881 691	5 004 439	173 374	5 177 813	(296 122)	-5.72	
ental Protection	-	-	-	-	-	0.00	
anagement	5 227 811	4 999 564	297 686	5 297 250	(69 439)	-1.31	
ater management	3 492 382	3 963 881	-250 000	3 713 881	(221 509)	-5.96	
nsport	9 630 931	9 987 537	-	9 987 537	(356 605)	-3.57	
	10 024 820	10 515 283	-	10 515 283	(490 463)	-4.66	
y	20 468 524	21 359 036	6 334 000	27 693 036	(7 223 414)	-26.08	
	112 189	-	-	-	112 189	100.00	
penditure	109 010 069	88 417 381	6 850 000	95 267 381	13 742 708		
RPLUS/(DEFICIT) FOR THE YEAR	-2 879 370	14 413 406	-	14 413 406	-17 292 776		

UMJINDI LOCAL MUNICIPALITY

APPENDIX E(2): ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY,PLANT AND EQUIPMENT) FOR THE YEAR ENDED AT 30 JUNE 2008

DITURE	2008 Actual R	2008 Under Construction R	2008 Total R	2008 BUDGET R	2008 ADJUSTMENT BUDGET	2008 TOTAL BUDGET	2008 VARIANCE R	2008 VARIANCE %	Explanation of Significant Variances greater than 10% versus Budget
& Council	297 890	-	297 890	821 000	-	821 000	-523 110	-63.72	
& Admin	954 216	-	954 216	1 254 000	-	1 254 000	-299 784	-23.91	
& Development	-	-	-	279 000	-	279 000	-279 000	-100.00	
lity & Social Services	18 457	-	18 457	-	-	-	18 457	0.00	
	41 147	-	41 147	190 000	-	190 000	-148 853	-78.34	
rfety	-	-	-	-	-	-	-	0.00	
tecreation	100 912	-	100 912	173 000	-	173 000	-72 088	-41.67	
ıntal Protection	-	-	-	263 374	-	263 374	-263 374	-100.00	
anagement	-	-	-	-	-	-	-	0.00	
ater management	22 615	-	22 615	-	-	-	22 615	0.00	
nsport	785 345	-	785 345	1 399 600	-	1 399 600	-614 255	-43.89	
	1 851 941	-	1 851 941	2 405 000	-	2 405 000	-553 059	-23.00	
	5 560 948	-	5 560 948	4 379 235	-	4 379 236	1 181 713	100.00	
	4 465 533	-	4 465 533	9 419 000	-	9 419 000	-4 953 467	-52.59	
	-	-	-	-	-	-	-	0.00	
	14 099 005	-	14 099 005	20 583 209	-	20 583 209	-6 484 204	-31.50	

APPENDIX F

UMJINDI MUNICIPALITY : DISCLOSURE OF GRANTS AND SUBSIDIES IN TERM OF SECTION 123 OF MFMA ,56 OF 2003

OF GRANT	NAME OF ORGAN OF STATE	QUARTERLY RECEIPTS				QUATERLY EXPENDITURE				GRANTS AND SUSIDIES DELAYED / WITHHELD	REASON FOR DELAY / WITHHOLDING OF FUNDS	COMPLIANCE WITH THE GRANT CONDITIONS IN TERMS OF GRANT FRAMEWORK	REASON FOR NON-COMPLIANCE
		SEPT.	DEC.	MARCH	JUNE	SEPT.	DEC.	MARCH	JUNE				
ant	NG	1 200 000	2 200 000	4 499 243	7 196 316	1 008 823	2 870 896	2 772 575	4 326 724				
irant	NG	367 000	367 000	-	-	367 000	-	367 000	-				
	NG	500 000	-	-	-	145 087	-	227 196	112 032				
le Share	NG	5 857 622	4 393 217	7 322 028	-	4 366 924	4 358 520	4 617 984	4 114 875				
cation Grant	DME/NER	-	1 479 000	6 600 000	-	756 618	-	-	-				
al Support Grant	RG	-	-	-	-	-	-	-	-				
: Relief	NG	-	-	-	-	-	-	-	-				
Roads&Transport	NG	-	-	-	-	-	-	-	-				
		7 924 622	8 439 217	18 421 271	7 196 316	6 642 452	7 229 417	7 984 755	8 553 630	-			

APPENDIX G

STATISTICAL INFORMATION OF UMJINDI MUNICIPALITY

itatistics proposed are intended as a guidline and may change substantially

GENERAL STATISTICS

			2003/2004	2004/2005	2005/2006	2006/2007	2007/8
ɔulation	-Population		51049	53743	53743	60470	60475
uation	-taxable property	(R mil)	77	77	77	77	77
	-non taxable	(R mil)	27	27	27	27	27
	-residential	(R mil)	53	53	53	53	53
	-commercial	(R mil)	24	24	24	24	24
	Valuation date		01-Feb-04	01-Feb-04	01-Feb-04	01-Feb-04	01-Feb-04
mber of Stands	-residential		8288	8288	8288	9104	10287
	-commercial		396	396	396	396	396
sesment rate levy	-basic (c per rand)		17.80c	16.80c	18.06	19.23	20.38
	-Discount		45%	45%	45%	45%	45%
	-Additional discount (%)		20,30,40	20,30,40	20,30,40	20,30,40	20,30,40
mber of employees of council	-Posts filled		281	282	288	291	297
	-Posts vacant						23
ɔctricity							
Jnits (KWh) purchase		(000)	69210	70535	64957	65310	71566
Jnits(KWh) sold		(000)	68225	69286	66918	71380	75403
Jnits(KWh)profit on distribution		(000)	-985	-1 249	1 961	6 070	3 837
'rofit on distribution,as a % of (1)			1.42%	1.77%	3.02%	9.30%	9.40%
ɔost per unit sold(Operating Exp/Units sold)		R	0.298	0.295	0.346	0.247	0.246
ɲcome per unit sold(Operating inc/Units sold)		R	0.320	0.331	0.444	0.379	0.493
'ariff per unit sold							
Residential (Conventional)			32.00c	32.00c	32.70c	32.00c	32.00c
Residential (Pre-paid)			32.00c	32.00c	32.70c	32.00c	44.40c
Commercial (Conventional)			35.62c	36.50c	32.00c	32.00c	32.00c
Commercial (Pre-paid)			34.70c	42.849c	44.60c	44.60c	44.60c
ıter							
;L purified			2968	3049	3194	2973	3406
;l sold		(000)	2278	2407	2494	2113	2746
;L lost in distribution		(000)	-690	-642	-700	-860	-660
'ercentage lost in distribution		(000)	23.25%	21.05%	21.91%	28.99%	19.37%
ɔost per unit sold(Operating exp/KL sold)		R	2.66	2.86	4.13	3.69	3.61
ɲcome per unit sold(Operating inc/KL sold)		R	3.79	4.56	4.07	5.87	7.93
'ariff per unit sold			3.03	3.28	3.28	3.49	3.70

MJINDI MUNICIPALITY
ENERAL INFORMATION

)RESS
4JINDI MUNICIPALITY
).BOX 33
.RBERTON
)0

r GENERAAL AND DE VILLIERS STR
RBERTON
)0

L: (013) 712 8800
X: (013) 712 5120 (Administration)
X: (013) 712 8922 (CFO Offices)
:B ADRESS: www.umjindi.gov.za

NK
:ST NATIONAL BANK
RBERTON
)0

COUNT NUMBER
·00026441

ANCH NUMBER
152

GRADE 03

EXECUTIVE MAYOR
R.V. Lukhele
082 442 2818
(013) 712 8918

SPEAKER
S.M. Zulu
082 484 2256

MAYORAL COMMITTEE MEMBERS
D. Ndlovu
T.R. Manyisa

COUNCILLORS

M.J.	Magagula
P.C.W	Minnaar
D.J	Adam
S.H	Zunguze
M.E	Nsimbini
N.M	Mabuza
M.P	Magagula
T.G	Nkambule
M.E	Jacobs
D.T	Chibi

MUNICIPAL MANAGER
S.F. Mnisi
The degree of Bachelor of Art
University of the North
South Africa
(013) 712 8719

CHIEF FINANCIAL OFFICER
M.S. Tlali
National Higher Diploma:
Cost & Management Accounting
Peninsula Technikon
Western Cape
(013) 712 8814

EXTERNAL AUDITORS
Office of the Auditor - General
P.O.Box 2684
Nelspruit
1200

TEL: (013) 755 4735
FAX: (013) 755 4738

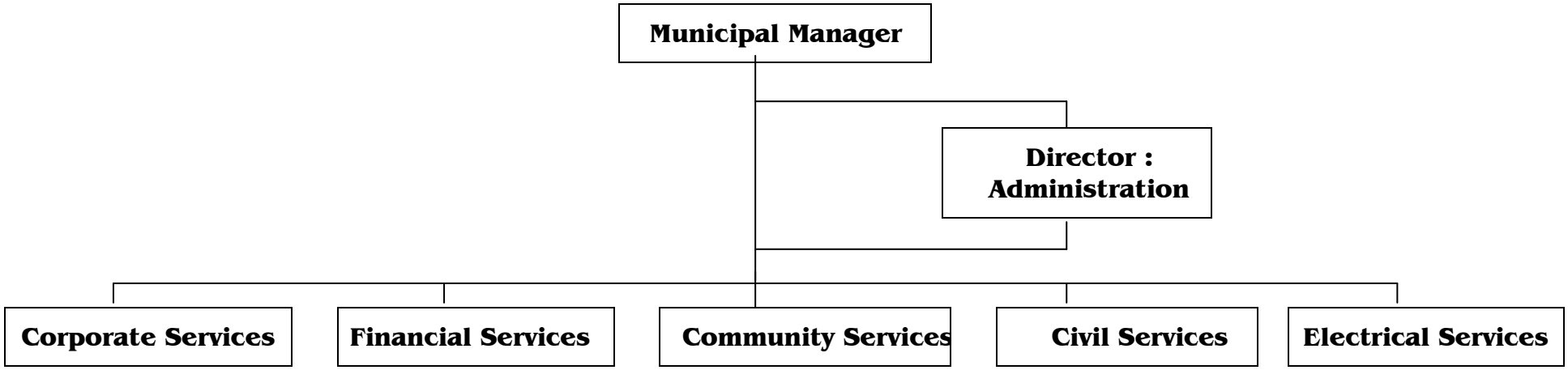
KPA.4	Municipal Transformation and Institutional Development

4.1 ADMINISTRATION

ORGANOGRAM

VISION:

A vibrant and economically viable preferred destination.



CORE VALUES:

This will be implemented in a credible, responsible, accountable and transparent manner that promotes administrative confidentiality and sustainability, whilst recognizing human rights, equality, rule of law, and respect for individual freedom and democracy.

4.2 EMPLOYMENT EQUITY

The Directorate Corporate Services as a support department functions also includes the submission of an employment equity report to the Department of Labour with regard to the number of employees according to occupational categories, race, gender, disability as well as remuneration earned.

During the year under review (2007/8) a number of new recruits joined the Municipality according to occupational levels; race and gender are as follows:

Professionally qualified and experienced specialist and mid-management category:
- **3 females (African)**
- **4 males (African)**

Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents' category:
- **3 males (African) and 2 Males (coloured)**
- **5 females (African)**

Clerical workers category:
- **5 males (African) - 1 with disability**
- **7 females (African) – 1 with disability (African)**
- **3 females (white)**

Unskilled workers category:
- **15 males (African) 2 Females (African)**
 The staff component as at 30 June 2008 was: 320 with 23 vacant positions.
 Advantage group
- **White males: 20**
 Disadvantage group
- **All females- (white, African, Coloured and Indians) and Males – (African, Coloured and Indians): 277**

Two interns in the Financial Services Department, Supply Chain Management Section for the purposes of Asset Control were appointed on a one year contract.

Below is the breakdown of all occupational categories as per the employment equity statistics (staff component) as at 30 June 2008.

OCCUPATIONAL CATEGORIES	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Legislators, Senior Officials and Managers	6	0	0	6	3	0	0	1	16
Professionals	5	0	0	3	2	0	0	1	11
Technicians and Associate Professionals	3	0	0	2	6	0	0	2	13
Clerks	18	2	0	0	24	0	3	8	55
Service and Sales Workers	3	0	0	1	2	0	0	2	8
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	5	0	0	4	0	0	0	0	9
Plant and machine operators and assemblers	31	1	0	1	1	0	0	0	34
Elementary Occupations	115	1	0	4	21	0	0	0	141
TOTAL PERMANENT	186	4	0	21	59	0	3	14	287
Non-permanent employees	9	0	0	0	3	1	0	1	14
GRAND TOTAL	195	4	0	21	62	1	3	15	320

A = African; C = Coloured; I – Indian; W = White

The employment of people with disabilities still remains a challenge to this Municipality as only two people have been employed in the staff component for 2007/8 financial year.

This unit is mainly responsible for the following key functions; the effective Management of human resource in order to ensure the implementation of the skills development Act, and Employment Equity Act within the workplace, Recruitment, Selection and Appointment of Personnel, Maintenance of Sound Labour Relations etc.

Temporary workers were appointment in various departments on a month to month basis for the continuation of Service Delivery.

The Recruitment Policy, Skills Retention Policy, Uniform Policy, Appointment and Selection Policy were reviewed and were tabled before the Local Labour Forum and were approved by Council.

An Overtime Policy was developed and served before Council and was approved by Council.

4.3 SKILLS DEVELOPMENT

TRAINING AND DEVELOPMENT

During the year under Review a Work Skills Development Plan was submitted to LGSETA on training needs as indicated by various staff members as per their Departmental requests.

The Municipality has implemented training programmes for the various disciplines and functions in order to have well-trained staff within the limitations of budgetary constraints to fulfil our constitutional obligation to deliver effective, affordable and sustainable services to all of our people.

Personnel were exposed to various capacity-building workshops, conferences and training programmes to improve their capacity in order to execute their functions effectively and efficiently.

The Skills Development Facilitator Me G N Zulu was on behalf of Council, awarded the Most Improved Workplace Award in Skills Development from LGSETA.

OTHER PROGRAMMES IMPLEMENTED

ABET **– An application for funding was approved by LGSETA. The funding agreement will be signed in July 2008. Classes will continue in August 2008.**

APPRENTICE TRAINING:-

- **The Apprentice Plumber is still waiting for his Trade Test results.**
- **The Apprentice Mechanic also went for his trade test and he failed the first attempt, a new request for a date was requested from LGSETA.**

4.4 EMPLOYEE ASSISTANCE PROGRAMME

The contract with the Service provider Careways Group was renewed as at 1 June 2008 for another 2 years to continue with EAP service and to include a therapist on site.

The Careways Group submit quarterly reports to Council on the progress to date and are currently training all employees, managers and supervisors on the use of Employee Assistance Programme, orientate employees and provide promotional strategies.

Key Performance Area: Municipal Institutional Development & Transformation Municipal											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Appointments	To develop a retention policy	The compilation of a Retention Policy	0	1	Skills Retention Policy for Umjindi Municipality	To retain highly qualified staff with scares skills within the Municipality	Annually				Target met – A Skill Retention Policy has been developed and adopted by Council..
Appointments	To ensure that ethical values and integrity are upheld in Council (DCS)	No of workshops held on Integrity and Ethical values, Fraud Prevention	2	2	Information workshops for staff members with regard to integrity, ethical values and fraud prevention	High ethical values and integrity under Municipal staff	Annually				Target met
Appointments	To ensure that ethical values and integrity are upheld in Council (DCS)	Provision of a schedule of ethical values for the municipality	1	1	A developed set of ethical values for the Municipality	Continuous reminder of staff regarding ethical values	Annually				Target met
Appointments	To ensure that the recruitment of municipal officials is in line with its employment equity plan & recruitment policy	% of new employees through induction programme (250 in TOTAL)	100	100	Appointment of correct categories of staff	Staff who are well informed regarding the policies, service conditions and policies within the Municipality	Quarterly				Target met
Appointments	To ensure that the recruitment of municipal officials is in line with its employment equity plan & recruitment policy	Development of an Induction programme	0	1	Induction programme for Umjindi Municipality	Staff who are well informed regarding the policies, service conditions and policies within the Municipality	Annually				Target not met

Key Performance Area: Municipal Institutional Development & Transformation Municipal											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Appointments	To render employment assistance to all personnel	EA Plan to be developed and implemented	1	1	Employee Assistance Plan for Umjindi Municipality	Employee Assistance Programme solving the problems of those employees in need of assistance on a personal level	Annually				Target met
Appointments	To render employment assistance to all personnel	Labour Relations	0		Personnel Labour Relations service within the Municipality	Satisfied employees with regard to their Labour related matters, advice and problems	Quarterly				Target met – a Labour Relations Officer has been appointed by the municipality.
Appointments	To render Labour relation assistance to all directorates	% of Labour relations cases concluded within 3 months	40	100	Personnel Labour Relations service within the Municipality	Successful conclusion of Labour relation cases	Quarterly				Target not met – cases still pending.
Appointments	To ensure that the recruitment of municipal officials is in line with its Employment Equity Plan & recruitment policy	% of Job Descriptions for all incumbents within the municipality	100	100	Job descriptions for all employees	Every employee will have a clear indication of his duties, responsibilities and role within the organization	Annually				Target met – new revised duty sheets have been finalised
Appointments	To ensure that the recruitment of municipal officials is in line with its Employment Equity Plan & recruitment policy	% of people employed according to people with disabilities	0	0	Adherence to Employment equity plan and recruitment policy	Enable people with disabilities to also be employed within the Municipality in a suitable position	Annually				Target not met
Leave /Pension/Medical Aid	To ensure that all personnel information is updated	% of leave applications computerized	100	100	Computerized leave system	Updated and reliable leave record system	Quarterly				Target met
EMPLOYMENT EQUITY	To ensure that the recruitment of municipal officials is in line with its employment equity plan & recruitment policy	% Employed in three highest levels of management who are PDI (Sect 57, Post Level 1, 2, 3)	0	40	Compliance with employment equity plan and recruitment policy	Recruiting and appointing the correct categories of staff	Annually				Target met

Key Performance Area: Municipal Institutional Development & Transformation Municipal											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Skills Development	To enhance the skills levels of the Municipal Staff	% of Municipal budget spent on staff training	100	100	Skills development	Employees with well developed skills to enhance their performance in the working environment	Annually				Target met
Skills development	To ensure that the municipality invests in the skills of its employees to fulfil its roles, in line with its skills development plan	% of rebate clamed from LG SETA	100	100	Compliance with Skills development plan	Staff undergoing SETA accredited training courses of a high standard	Annually				Target met
Skills development	To ensure that the municipality invests in the skills of its employees to fulfil its roles, in line with its skills development plan	No and type of skills training courses to be held	24	18	Compliance with Skills development plan	Ensure equal opportunity for staff to undergo training	Quarterly				Target exceeded
Skills development	To ensure that the municipality invests in the skills of its employees to fulfil its roles, in line with its skills development plan	Review of Skills Development Plan	1	1	Skills Development Plan	Reviewed Skills development plan that will cater for the changing needs of personnel	Annually				Target met
Workman's Compensation & Occupational Health and safety Act	To render HR support to all personnel with regard to claims	% of accidents reported to management	100	100	Provision of Workman's compensation service for employees	All injuries that occur within the workplace being reported to the Workman's compensation and staff compensated accordingly	Monthly				Target met
Workman's Compensation & Occupational Health and safety Act	To render HR support to all personnel with regard to claims	Proper records keeping of all claims	1	1	Provision of Workman's compensation service for employees	Sound administration and record keeping of all injury on duty claims within the Municipality	Annually				Target met

4.5 INTEGRATED DEVELOPMENT PLANNING

An Integrated Development Plan is a 5 year strategic plan for a municipality and serves as the principle strategic management instrument. It is a tool laid-down by local government to assist municipalities in fulfilling their developmental role as enshrined in the Constitution.

The Umjindi Municipality started a process during 2006/2007 to develop and finalize its IDP through a Community Based Plan concept. The purpose of this is to ensure that needs identified per ward as to ensure that development will take place in all 7 wards in Umjindi. Ward Committees are the key stakeholders in the development of the IDP, Performance Management System and other municipal processes. The prioritized needs were then budgeted for in accordance with the availability of funds. A budget Implementation Plan was developed to ensure that all capital projects are implemented in order to improve service delivery and create jobs for the unemployed.

4.6 PERFORMANCE MANAGEMENT SYSTEMS

The over-all performance of the Municipality is monitored through the Performance Management System.

Reports were submitted to Council to indicate the performance of the Municipal Manager and Directors. The Internal Auditor and External Audit Committee verified the information on the reports as to ensure that targets are met.

The implementation of the PMS assists the Municipality to monitor the impact of its infrastructure development programme on service delivery, job creation, good governance, public participation, institutional development and the efficiency of the administration.

4.7 PROJECT MANAGEMENT UNIT

The PMU Section was fully operational as from 1 January 2008 with a component of 2 staff members being deployed. The first six months of the year were used to understand the municipal environment in relation to PMU and what is expected from the section. A modus operandi was established with Electrical and Civil Services Departments.

ACHIEVEMENTS

- **Better understanding of the projects and their respective challenges.**
- **The PMU Administrator underwent MIG training and Project Management training to understand the reporting system better.**
- **The PMU Manager attended MIG forums at the EDM offices with the purpose of sharing strategies with other PMU's within the EDM.**
- **Both the PMU Manager and PMU Administrator attended various site meetings on projects for monitoring purposes.**
- **The following MIG and DME funded projects were successfully implemented:**

No	Project Name	Allocation	Expenditure	Complete
1	Sunken sewer	R1 174 926.48	R1 174 928-48	Yes
2	Link road	R2 330 000	R1 898 322.00	Yes
3.	Emjindini Extension II Water & Sewer	R3 329.00	R3 642 033.92	Yes
4.	PMU	R395 000	R395 000 to 31/3/2008	Continuous
5.	Refurbishment of AC pipe (design)	R1 000 000 (R4 615 691 from 1/4/08)	R1 000 000	Roll over
6.	Stormwater Masterplan (Implementation)	R6 130 000 (from 1/4/08	R538 867-25	8,8%
7.	Electrification Emjindini Trust Phase 2	R3 060 000	R3060 000	100%
8.	Electrification farm worker houses	R408 000	R408 000	100%

	SAPPI Montrose			
9.	Emjindini Extension 14 substation Phase II	R8 079 000	R322 224-50	14,84% Roll over – Multi year project
10.	Emjindini Extension 14 Substation Phase II	R6000 000	R547 595.50	10,10% Roll over
11.	Supply of Alternative energy to Sheba Siding indigent households	R394 426-80	R231 444-17	59% (Pilot project)

CHALLENGES

- Getting contractors and consultants to comply with their contracts. There are problems around time frames, quality control and supervisions that delay projects if the contractor and the consultants cannot deliver.

- Finding common ground between the PMU and the Civil Department regarding information distribution, overhead control and reporting procedure.

- Ensuring that local contractors have the ability to tender/quote for local projects and comply with labour requirements.

- Keeping up to date regarding new MIG reporting procedures and formats.

- Implementing quality control.

RECOMMENDATIONS

- A workshop for all local emerging contractors is planned for the 2008/09 financial year and thorough screening of consultants with regard to performance before appointment should be conducted.
- Regular monitoring of contractors on site and attendance of all site meetings.
- Stronger co-operation with the Civil and Electrical Departments.
- More involvement in - own funded projects in all departments.

- **MIG MIS training for the PMU Manager to be arranged with the Department of Local Government.**

4.8 COMMUNICATION

The Communication Strategy for Umjindi Municipality was adopted and approved by council on the 29 November 2007 for the period of 2007/08.

The Communication Strategy for Umjindi Municipality is based on the National Strategy Framework for communication, which is informed by the government programme of action as defined by the decisions of Cabinet Lekgotla, the State of Nation Address, Province and the Municipal Address.

It is essential that ordinary citizens are constantly informed about local government's work and empowered to take active part in it. The Communication Unit has a mandate to improve communication between management of the Municipality and the community towards better service delivery.

One of the main objectives of the Communications Strategy is to enhance effective intra-governmental communication.

- **The production of the municipal newsletter is one of the tools we make use of to communicate with the public about achievements, challenges and programs of the Municipality on service delivery.**
- **More aggressive utilization of the media to promote and improve the image of the municipality is essential because the Municipality has received bad publicity from one of the local newspapers which reporting was based on unfounded allegations, however with the rest of the media the Municipality has enjoyed and maintained good relations.**
- **Press release were issued to share information with the public in improving the municipality's image and public perceptions, the following media was used to disseminate information.**
- **SABC (Ligwalagwala FM which covers 1, 5 million listeners and uses SiSwati a dominating language within the municipal jurisdiction.**
- **BCR FM which has a listeners of 158 000, also use 60% SiSwati and 40% other languages.**

- **The Barberton Times which has a distribution of 8 000 copies on a weekly basis (advertorial and news articles are place on the local news paper).**
- **The vision and mission of the municipality has been promoted widely on the South African Municipal Directory Online publication for a period of two years and it be noted that enormous efforts are being considered on a regular basis to market the Municipality.**



4.9 INTERNAL AUDIT

ACHIEVEMENTS

- **Facilitation of enterprise-wide Risk Assessment workshop with all senior staff members.**
- **Continuous functional reporting of audit activities to the Audit Committee.**
- **Completed 50% compliance audit engagements as per audit program to ensure that statutory regulations, policies, resolutions and procedures are adhered to.**
- **Implemented the approved Internal Audit Plan, performed 50% audit engagements and issued reports to relevant departments and or sections.**

CHALLENGES

- **Insufficient staffing (Human Resource Capacity) of Internal Audit section to effectively implement the Internal Audit Plan.**
- **Placement of Internal Audit Offices outside the Municipality's main administration centre impacts negatively in the day-to-day running of the audit functioning.**
- **Managers' expectation from internal audit to perform line function.**

RISK MANAGEMENT

An Enterprise-wide Risk Assessment workshop for the Municipality was undertaken for the year 2007/2008 to identify significant risks that can adversely affect the Municipality in achieving its set objectives, and measures to mitigate those risks were also identified during the Risk Assessment. After risk identification a risk register was obtained from the Risk Assessment which was incorporated into the Performance Management System (PMS) to ensure continuous monitoring and evaluation of the risks identified. A Risk Based Audit Plan was developed and implemented, where 50% audit engagements were performed for the year ended 30 June 2008. A Risk Management Committee was developed to deal with matters relating to Risk Management.

ACHIEVEMENTS

- **Facilitation of enterprise-wide Risk Assessment workshop with all senior staff members.**
- **Continuous functional reporting of audit activities to the Audit Committee.**
- **Completed 50% compliance audit engagements as per audit program to ensure that statutory regulations, policies, resolutions and procedures are adhered to.**
- **Implemented the approved Internal Audit Plan, performed 50% audit engagements and issued reports to relevant departments and or sections;**

FRAUD AND CORRUPTION

The Municipality has put measures in place to fight against corruption, and the process undertaken in this regard includes the development of policies and procedures and the review of processes which are susceptible to acts of corruption and there is a Fraud Prevention Committee in place that deals with matters relating to fraud.

CHALLENGES

- **Insufficient staffing (Human Resource Capacity) of Internal Audit section to effectively implement the Internal Audit Plan.**
- **Placement of Internal Audit Offices outside the Municipality's main administration centre impacts negatively in the day-to-day running of the audit functioning.**
- **Delays by management in providing management comments following a report on audit findings impacts on the efficiency of the audit functioning.**
- **Managers' expectation from internal audit to perform line function.**

Key Performance Area: Good Governance and Public Participation

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
Communica-tion and Information Management	To ensure that all policies / decisions of Council is communicated to all	The compilation of a Communications Strategy for Umjindi	1	1	The compilation of a Communications Strategy for Umjindi by Communication Officer	Significant change in information to the public by notifying them on Councils policy/ decisions.	Annually	R30 000	R31 800	R33 708	Still wait for EDM Mun.. To approve theirs
Community Development Workers:	To provide supervision and administration support to CDWS	No of supervision meetings held with CDWs	6	6	6 supervisory meetings held with CDWs	Proper monitoring mechanism of the programme of the CDW's is in place.	Quarterly	0	R4 000	R3 710	Target met
IDP	To develop a 5yr Strategic Plan for Umjindi	Develop Strategic Plan	1	1	Develop Strategic Plan document	Well co-coordinated projects and programmes to the benefit of the community	Annually	R45 000	0	0	Target met
IDP	To ensure effective community participation in the IDP process	No of IDP Rep Forum meetings taking place to identify and prioritize needs of the community	2	2	2 IDP Rep Forum meetings taking place to identify and prioritize needs of the community	Promotion of community participation by allowing IDP Representatives to partake in the municipal affairs.	Annually	R12 000	R12 720	R13 483	Target met, we changed to com. Based planning
IDP	To ensure effective community participation in the IDP process	No of Stakeholder groups invited to attend IDP Rep Forum meetings	28	28	No of Stakeholder groups invited to attend IDP Rep Forum meetings	Produced a properly managed document of the IDP according to the phases of the IDP namely: Analysis, Strategize, Prioritizing, Project Phase and Approval.	Annually	R15 000	R15 900	R16 854	Target met
IDP	To ensure that needs of the community be addressed during the IDP process	No of community based plans compiled and integrated into the IDP plan	7	7	Well coordinated and ward based plans are produced during the Community Based Plans process.	7 Community based plans compiled and integrated into the IDP plan	Annually	R12 000	R12 720	R13 483	Seven Compiled
Corporate	To ensure that organizational performance reporting and review takes place	Development of the Service Delivery and Budget Implementation Plan and approval by the Mayor	1	1	Ensuring quality service delivery to community	Development of the Service Delivery and Budget Implementation Plan and approval by the Mayor	Annually	R72 223	R76 556	R81 150	SDBIP development and approved by EX-Mayor

Key Performance Area: Good Governance and Public Participation

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
Corporate	To ensure that organizational performance reporting and review takes place	No of quarterly performance reports submitted to Council	4	2	Ensuring quality service delivery to community	2 of quarterly performance reports submitted to Council	Quarterly	R72 223	R76 556	R81 150	Target met
Corporate	To ensure that organizational performance reporting and review takes place	No of Operational Plans reviewed for all Directorates	6	6	6 of Operational Plans reviewed for all Directors	Ensuring quality service delivery to community	Annually	0	0	0	6 Operational plans reviewed
Corporate	To ensure that organizational performance reporting and review takes place	Section 57 employees consulted for reviewal in terms of human resources management scorecards	1	1	Section 57 employees consulted for reviewal in terms of human resources management scorecards	Ensuring quality service delivery to community	Annually	0	0	0	Target met
IDP	To ensure that Umjindi's capital budget is in line with IDP	% of budgeted capital projects identified during the IDP Process	100	100	100% of budgeted capital projects identified during the IDP Process	Budget document is informed by the identified priority list	Annually	0	0	0	Target met
PMS	To ensure that organizational performance reporting and review takes place	Section 57 employees consulted for reviewal in terms of human resources management scorecards	4	4	Section 57 employees consulted for reviewal in terms of human resources management scorecards	Ensuring quality service delivery to community	Quarterly	0	0	0	Target met – evaluation is done on a quarterly basis
PMU	To ensure that Umjindi's capital budget is in line with IDP	No of business plans submitted for unfunded projects as identified during the IDP process	6	6	6 of business plans submitted for unfunded projects as identified during the IDP process	Meeting community needs and priorities	Annually	0	0	0	Target met
PMU	To monitor all funded projects of Council and ensure report-back to funders.	No. of staff budgeted advertised for.	2	2	To ensure that a well staffed project Management is established.	Community to benefit from projects to be implemented that is of good quality in set time frames		0	395 000	0	Target met
PMU	To monitor all funded projects of Council and ensure report-back to funders	No of monthly report back to DME and MIG.	12	12	Monthly reports (2) for 6 months generated and submitted..	Funders of project be informed about the progress on projects	6 months	0	0	0	Target met

Key Performance Area: Good Governance and Public Participation

Goal:

Priority Issue (Programme)	Objective	Indicator	Target		Measure		Time frame	Programme Budget (MTEF)			Programme Status and Comments
			Output	Outcome	Output	Outcome		YR1 (06/07)	YR2 (07/08)	YR3 (08/09)	
PMU	To monitor all funded projects of Council and ensure report-back to funders	No of site meetings and inspections attended.	24	48	Site meetings and inspections attended.	Improved productivity and streamlining of projects.	6 monthly	0	0	0	Target met
Internal Audit	Provide secretariat functions to the Audit Committee	No of Audit Committee Meetings held	4	4	Audit Committee Meetings held	Updated oversight and advising role to the Council and senior management	Quarterly	38868	26735	28399	Target met
Internal Audit	To monitor compliance on systems and Procedures	No of audits done per Section as per audit program	100	80	Audits done per Section as per audit program	Well informed management on the functioning and effectiveness of systems and procedures in place	Monthly	334964	390759	414205	Target not met
Internal Audit	To monitor compliance with all relevant legislation and Council resolutions	% of audits done per Section on compliance to legislation and implementing Council resolutions	100	80	100% of audits done per Section on compliance to legislation and implementing Council resolutions	Good administration, good governance and reduction of los s	Monthly	334964	390759	414205	Target not met
Internal Audit	To monitor compliance with all relevant legislation and Council resolutions	No of quarterly PMS audits done to evaluate the extent of compliance and the reliability of performance management systems as required by legislation	4	1	Quarterly PMS audits done to evaluate the extent of compliance and the reliability of performance management systems as required by legislation	Evaluate PMS inline with relevant legislation	Quarterly	334964	390759	414205	Target not met
Internal Audit	To monitor compliance with all relevant legislation and Council resolutions	No of quarterly audit reports submitted to the Municipal Manager and Audit Committee	4	4	Quarterly audit reports submitted to the Municipal Manager and Audit Committee	Proper functioning of internal audit unit to reduce the municipality's risk exposure	Quarterly	334964	390759	414205	Target met
Internal Audit	To monitor compliance with all relevant legislation and Council resolutions	No of risks assessments undertaken to identified Risks exposure	1	1	Risks assessments undertaken to identified risks exposure	Identified risks that will adversely affect the municipality in achieving its objectives	Annually	0	0	0	Target met

KPA.5	GOOD GOVERNANCE

5.1 CUSTOMER CARE

To order to ensure effective and efficient mechanisms for community, stakeholders, customer participation and empowerment, a Customer Care Unit was established in the Department of Corporate services during November 2007. The main function of this unit is to improve customer care relations and service delivery of all the departments of the municipality.

A Customer Care Supervisor was appointed to deal with all customer enquiries and complaints, both personal and telephonic and to direct these complaints/compliments to the relevant department or official where applicable.

A new Code of Conduct has been sent to the printers to be printed and will be on display at all strategic places.

The Customer Care Supervisor attended various workshops where she learnt various principles and practices to be implemented in our municipality. All frontline staff will be workshoped on this principles and practices in order to improve service delivery.

In order promote the Batho Pele principles, monthly monitoring and evaluating of all frontline staff that deal with customers is done ensuring that all customers are treated with respect and dignity

A 24 hour control centre (BRAVO-BRAVO) maintained by this department is responsible for logging and monitoring all emergency services, water, electricity and the fire brigade. The customer care unit addressed each complaint/compliment in writing with the different directors monitoring the average time spend to solve the relevant complaints.



5.2 COMMUNITY PARTICIPATION/PUBLIC PARTICIPATION

- **Community participation is of high importance in Umjindi and the municipality utilsed different strategies that yield broader community participation.**

- **The community radio (Barberton Community Radio) is used as a mouth-piece for the Municipality to mobilize and keep the community informed about different projects and programmes that the Municipality is running.**

- **Umjindi Community is been kept informed on a regular basis of successes and challenges facing the municipality through the community radio and public meetings.**

- **Print media is also an effective tool that the municipality uses i.e. Barberton Times and Municipal Newsletter.**

- **On a quarterly basis the municipality embarks on mass ward-based community consultation meetings in all the 9 demarcated wards of the municipality.**

- **The youth is mobilized through the South African Youth Council (SAYC) which is an umbrella body of all youth formations i.e. Faith based, political, non-political, coalition and issue-based youth structures, and all the other sectors of society are engaged in decision-making through the assistance of the LED Assistant.**

- **Capacity building workshops and information dissemination sessions are held regularly with ward committee members.**

Key Performance Area: Good Governance and Public Participation											
Priority Issue (Programme)	**Objective**	**Indicator**	**Target**		**Measure**		**Time frame**	**Programme Budget (MTEF)**			**Programme Status and Comments**
			Output	**Outcome**	**Output**	**Outcome**		**YR1 (06/07)**	**YR2 (07/08)**	**YR3 (08/09)**	
Public participation	Ensure effective and efficient mechanisms for community, stakeholders and customer participation and empowerment	% participation and attendance at all applicable community and stakeholder engagement initiatives and forums and official report back	100%	100%	Attending public meetings	Attended all CP meetings as per schedule; Directorate is assisting with hailing and invitations to meetings	Quarterly				Target met – all meeting attended as per schedule
Customer Care	To ensure effective and efficient mechanisms for community, stakeholders, customer participation and empowerment	No of the reports evaluated on complaints and compliments received from customers in accordance with the Batho Pele Services Level charter	12	12	Suggestion boxes	Suggestion boxes were placed in all public areas and a summarized report regarding the complaints and comments received were submitted by the Customer Care Supervisor	Monthly				Target met – good response from the public
Customer Care	To improve customer care relations and service delivery per directorate	No of reports of complaints/compliments received from each directorate in the suggestion box of the front line relations office	12	12	Suggestion boxes	Suggestion Boxes were placed in strategic points: in the different directorates, monthly reports are submitted to the different directorates on all complaints/ compliments received per directorate.	Monthly				Target met – regular feed-back given on complaints/ compliments received
Customer Care complaints	To improve customer care relations and service delivery of the municipality and per directorate	No of reports submitted on the response time on complaints received on service delivery	12	12	Bravo-Brave register	The average time spent resolving complaints are reduced to a minimum	Monthly				Target met – complaints book records all complaints that has been finalised
Customer Care Strategy	To improve customer care relations and services delivery per directorate and the municipality	To monitor the development and compilation of a Customer Care Strategy and implementation thereof.	1	1	Customer Care Strategy	Customer Care strategy was developed in the 4th quarter and will begin implementation in the new financial year.	Annually				Target met – Customer Care Strategy has been finalised

COUNCIL MEETS THE PEOPLE PROGRAMME

- **Council is abreast with what is happening at grass roots or ward level, because the ward-based consultation meetings look specifically at issues happening in that ward and these meetings are held quarterly. If anything arises, the Ward Committees and Community Development Workers are based in the wards to assist.**

COMMUNITY DEVELOPMENT WORKERS

- **CDW's were able to assist community members with grant applications and they are successfully receiving social grants.**
- **CDW's are making follow ups on the list of uncompleted houses by provincial communicating the challenge with the Department of Housing.**
- **Involvement of CDW's during the registration and verification process of the indigents.**
 - **CDW's are ward based and also ex-officio members of Ward Committees.**
 - **Programmes and projects that are conducted within a ward are well communicated amongst councillors, ward committees and CDW's.**
- **A good working relationship between Councillors, Ward Committees and Officials was established.**
- **CDW attend all municipal consultation meetings.**
- **CDW are assisting the orphans to register with Thandanani Home Based Care.**
- **Assisted in the compilation of the stand- and housing waiting list any other community functions as required.**

YOUTH DEVELOPMENT

On 29 March 2008, the Executive Mayor's Office organised a Local Youth Summit. The Summit was aimed at re-launching the South African Youth Council (Umjindi Branch). The youth was economically empowered through procurement of projects that are in the Municipal IDP (National Youth Service programmes).

CHALLENGES

- **Not enough budget allocated for youth/transversal issues.**
- **Shortage of staff.**

WOMEN'S DEVELOPMENT

During November 2007, 94 local women/hawkers were trained in business management, marketing and hygiene.

DISABLED PEOPLE'S DEVELOPMENT

During January 2008, Mpumalanga Economic Development Agency (MEGA) trained 15 crafters from Ekujabuleni Disabled Centre on exporting and importing.

Number of RDP houses was allocated to local disabled persons at eMjindini Extension 14.

5.3 WARD SYSTEM

- **We have established ward committees in all 7 wards of the Municipality, all these ward committees are functional and meet according to their 2008 ward committee meeting schedule.**

- **The ward committees play a pivotal role in deepening democracy and make sure that the public participates in all Council projects and programmes, such as the IDP compilation, PMS review, Budgetary Consultation.**

- **Ward committee capacity-building workshops and information dissemination sessions are held regularly with ward committee members to empower them on issues such as budgetary processes, PMS, HID/Aids, etcetera. (IDP & Ward based plan compilation, Property Rates Act and more).**

- **The Office of the Speaker assists ward committees with administrative functions, loud hailing and publication of notices, transport to and from meetings and workshops.**

- **Ward Committees do attend Council meetings on a regular basis.**

- **The Ward Committees are actively involved in the compilation of the IDP, PMS Review, Property Rates Consultation Meetings, HIV/Aids, for a, Budgetary Consultation Meetings Indigent approval processes and any of the matters that the community should be informed about.**

5.4 CORPORATE GOVERNANCE

- **The Municipality has developed and reviewed its financial, administrative, Human Resources policies as well as the revision of its delegations and Council Standing Order in accordance with the relevant legislations, viz MFMA, Labour Relations Act, Municipal Systems Act, Municipal Structure Act, etcetera.**
- **The Management of the municipality has strived all the time to monitor adherence to all the policies and by-laws of the municipality in the operations of all departments. This has resulted in an improved image of the municipality, less complaints on service delivery and overall performance improvements of the municipality in the five Key Performance Areas; namely Service Delivery and Infrastructure Development, Financial Viability and Management, Good Governance and Public Participation, Municipal Transformation and Organisational Development and Local Economic Development.**
- **The stakeholders and the community at large are actively participated in the decision making of the municipality through the IDP processes, Budget Consultation, Property Rates Consultation as well as the Municipal Izimbizo's that are conducted quarterly.**
- **The Municipality remains accountable and sensitive to the needs and aspirations to its stakeholders and the community at large where running its operations.**
- **The Municipality has well functioning Ward Committees system that carries the aspirations and interests of the community it serves.**

Chapter 3.	MEASURES TAKEN TO ENHANCE PERFORMANCE

A budget implementation plan was developed and approved by Council to monitor progress on approved budget.

The departmental scorecards for 2008/2009 were approved before the beginning of the financial year 2008/2009.

Quarterly reports are submitted to Council to monitor performance.

Assessment is done on those reports to check whether performance is in line with the set targets or not.

Where there is under performance, corrective measures are put in place to improve performance.

Chapter 4.	CHALLENGES

CHALLENGES EXPERIENCED WITHIN THE DEPARTMENT IN THE 2007/2008 FINANCIAL YEAR:

- **The Housing Section functioned under difficult circumstances due to limited office space.**
- **The Directorate Corporate Services functioned without a full time Director for the entire 2007/2008 financial year.**
- **Assistant Director Health from the Directorate of Community Services was seconded to the Directorate Corporate Services for a period of a year until a new Assistant Director Corporate Services was appointed to assist in managing the department in the absence of the Director.**
- **The inadequate funding for the Jewellery Project posed a threat to the continuation of the project.**
- **Efficient and effective Debt Management to ensure that the Municipality is financially viable.**

- **The compilation of the Municipality infrastructure Asset Register to comply with GAMAP 17**
- **The completion of the Valuation Roll to ensure the Municipality meets the July 2009 deadline.**
- **The Municipality is striving to create a vibrant economic town with job opportunities in order to eradicate poverty, illiteracy, etcetera.**
- **The Municipality is continually faced with a challenge of high levels of unemployment in the community, due to the closing of mines and scaling down of farming- and forestry industries.**
- **The impact of HIV and AIDS internally and externally has brought a further burden to the Municipality with regard an increasing staff turn-over, orphans- and child-headed households.**
- **The delay in resolving land issues such as at Sheba has a negative impact on the rolling out of basic services to these areas.**
- **Budget constraints for implementation of the community needs identified in the IDP process.**
- **Adequate staffing of Internal Audit Section to effectively implement the audit programme.**

Chapter 5.	CONCLUSION

The performance of Umjindi Municipality has been satisfactory in the year under review. This was not achieved without challenges in the in the Municipality.

Amidst the challenges experienced this organization has met its performance targets in a more efficient and effective way. This is evident from the Municipality winning the prize of the 2nd position in the Vuna Awards in 2007/2008.

The continuous existence of a good working relationship between the political office bearers and administration assists Council in fulfilling its mandatory role of providing municipal services to the community in the most effective and sustainable manner.

The Municipality has further improved its role on HIV/Aids co-ordination, hence having won the following awards: viz

- **The best Local/Aids Council in the province.**
- **The best HIV/Aids Co-ordinator in the province.**
- **The best integrated HIV/Aids programme into the IDP of the Municipality.**

The Municipality prides itself in the betterment of the lives of the people of Umjindi by providing quality services.

Contact Details

Tel : 013 712 8800
Fax : 013 712 5120
E-mail mm@umjindi.gov.za

Web page : www.umjindi.gov.za